150 U.S. 424

157-424

RECORD, CASE No. 14,041.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1892.

TERM NO., ~~350~~. 108

PHILIP McALEER, APPELLANT,

vs.

THE UNITED STATES.

APPEAL FROM THE COURT OF CLAIMS.

FILED MAY 20, 1890.

RECORD, CASE No. 14,041.

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JUDD & DETWEILER, PRINTERS, WASHINGTON, D. C., OCTOBER 13, 1892.

1 In the Court of Claims.

PHILIP MCALEER
vs.
THE UNITED STATES. } Nos. 13376 and 16383 (Consolidated).

I.—*Note by the Clerk.*

The original petition in this cause, numbered 13376, was filed December 1, 1882.

The defendants filed a traverse to said petition December 12, 1882.

The original petition, numbered 16383, being identical with petition 13376, was filed December 27, 1888.

The two cases were consolidated by order of court on stipulation of parties February 21, 1889.

II.—*Petition. Filed November* 27, 1888.

To the honorable the judges of the Court of Claims of the United States:

The petition of Philip McAleer respectfully shows:

1. He is a resident of the city of Washington, in the District of Columbia, and he sues to recover from the United States compensation for the use by the United States of certain inventions made by the petitioner, Philip McAleer, and protected by letters patent of the United States issued to him, the said McAleer, such use being under licenses to the United States executed by the petitioner.

2. The petitioner is a machinist by occupation, and as such, being employed in the year 1863 and subsequent years in the service of the United States in the Bureau of Engraving and Printing,
2 attached to the Treasury Department of the United States, he turned his attention during his hours of leisure to the improvement of the machinery under his charge and to the making of inventions designed to effect such improvement. It was no part of the petitioner's duty, however, to make such improvements, nor was he employed by the United States in any manner or by any person whomsoever to make such improvements or inventions or to experiment with the view of making the same, and the inventions and improvements hereinafter claimed by the petitioner to have been made by him were made entirely outside of his employment by the United States and without detracting in any manner from the services which he had contracted to render to the United States as a machinist as aforesaid.

3. From the year 1863 to the year 1869, according to the petitioner's recollection and belief, there was used in said Bureau of Engraving and Printing a machine, designated as an automatic machine, for the purpose of cutting fractional currency. The said machine cut about fifteen hundred sheets a day and mutilated and rendered useless about one-third of the sheets as cut. The petitioner in the

years 1863 and 1864 made improvements on said machine and perfected it to such an extent that it cut between six thousand and seven thousand sheets a day with scarcely any mutilation and in such a manner that it also registered the number of sheets cut by it and the value thereof in dollars and cents.

4. In the year 1869 a machine, known as the "Sheridan machine," for cutting fractional currency was introduced in said bureau, superseding the automatic machine hereinbefore mentioned,
3 and was used in said bureau from May 9th, 1869, to February 14th, 1876, and the petitioner immediately began to make improvements on said "Sheridan machine," without which said machine would have been almost useless. Among other things, the petitioner invented and designed a "middle board," to be used in connection with said machine, and previously he had designed a system of brass plates for the same purpose for which said "middle board" was subsequently used, and both of these inventions made by the petitioner continued to be used by the bureau.

5. By the use of the inventions and improvements so as aforesaid designed by the petitioner the United States have been enabled to save large sums of money in the operations of said Bureau of Engraving and Printing, which saving, the petitioner is informed and believes, amounted to the sum of about one hundred and thirty-one thousand four hundred and sixty dollars ($131,460); yet the petitioner has never received or claimed any compensation therefor.

6. In the year 1875 the petitioner invented a new and improved paper-perforating machine "for perforating and cutting paper," being "the combination, with two parallel shafts, of one or more disk knives adjustably secured to each shaft and having their peripheries broken by radical slots and adapted to overlap." For the said invention, being for a new and useful machine, the petitioner, on the 14th day of September, 1875, applied for letters patent of the United States, and such letters patent were accordingly issued to him on the 7th day of December, 1875, and are numbered 170,873 on the records of the Patent Office of the United States, securing to the petitioner, his heirs and assigns, the
4 sole and exclusive use for the period of seventeen years of said invention and improvement; all of which will more fully appear by reference to the records of said Patent Office and the original of said letters patent, which the petitioner is ready and willing to exhibit to the court if required.

7. Subseqently, to wit, in the year 1876, the petitioner invented and designed "a new and useful improvement in needle boards for registering," and he applied for and on the 13th day of June, 1876, received letters patent of the United States, numbered 178,790 on the records of the United States Patent Office, securing to him, his heirs and assigns, the sole and exclusive use of such improvement and invention for the usual statutory period; all of which will more fully appear by reference to said records and to the original of said letters patent, which the petitioner is ready and willing to exhibit here to the court as he may be required.

8. Subsequently, to wit, in the same year, 1876, the petitioner invented "a new and useful improvement in paper-cutting machines," which consisted "in combining with the ordinary gauge and adjustable spring straight-edge, the base of which lies below the plane of the supporting surface or bed of the machine, and set-screws below the bottom of the straight-edge;" and he applied for and on the 16th day of January, 1877, he received letters patent of the United States, numbered 186,262 on the records of the United States Patent Office, securing to him, his heirs and assigns, the sole and exclusive use of said improvement and invention; all of which will more fully appear by reference to said records and to the original of said letters patent, which the petitioner is ready and willing to exhibit here to the court as he may be required.

5 9. All of the petitioner's said inventions and improvements so protected and secured to him by letters patent of the United States have been constantly and continuously used by the United States in the said Bureau of Engraving and Printing since the time of the respective inventions and since the date of the letters patent down to the present day and having been so used by the license and consent of the petitioner, and the petitioner says the use of said improvements and inventions has been of great benefit to the United States and has saved large sums of money to the United States, and that, as he is informed and believes, the use of the invention mentioned in the letters patent aforesaid, numbered 170,873, has been of the value to the United States of thirty-one thousand dollars ($31,000) and upwards; but the precise value of the use of said improvements and inventions as aforesaid the petitioner is unable here to state, and he believes that it can be properly stated only after an account taken of the operations of said bureau in the premises, which account the petitioner prays may be taken, if to the court it seems just and proper.

10. Knowing that the said inventions and improvements so as aforesaid secured to the petitioner by letters patent were mainly and almost exclusively useful to the United States in the said Bureau of Engraving and Printing, the petitioner, at the request and by the advice of George B. McCartee, Esq., then superintendent of said bureau, for the United States executed and delivered to the said McCartee a license to the United States to use the petitioner's inventions aforesaid mentioned in letters patent No. 170,183, which was accepted by said McCartee for the United States, and under said license the United States continued thereafter to use said

6 inventions. Said license was executed and bears date on or about the 10th day of January, 1876, and in the words and terms following, being in writing, to wit:

"Whereas I, Philip McAleer, of Washington, D. C., have invented certain improvements in paper-perforating machines, for which letters patent of the United States were granted to me December 7, 1875, No. 170,873; and whereas the United States Treasury Department is desirous of acquiring the right to use said invention as described in said patent:

"Now, this indenture witnesseth that for the sum of one dollar and other valuable considerations to me paid by the said department I do hereby grant and license the said United States Treasury Department and its bureaus the right to make and use my said improvements in paper-perforating machines as described in said patent to the full end and term for which said letters patent are granted.

"Witness my hand and seal this 10th day of January, 1876.

"(Signed) PHILIP McALEER. [SEAL.]"

And similar licenses were subsequently executed and delivered for the use by the United States of the other inventions and improvements aforesaid, and said George B. McCartee, for the United States, accepted said licenses, and under the said licenses the United States continued thereafter to use said improvements and inventions. The originals of said licenses the petitioner supposes are in the Treasury Department of the Untied States, and by reference thereto their tenor will be sufficiently made to appear.

11. The United States, through the aforesaid George B. McCartee, as superintendent of said Bureau of Engraving and Printing, advanced to the petitioner, who was then and is now a poor man, the amount of money required to be expended in procuring the issue to the petitioner of the aforesaid letters
7 patent, which was about the sum of two hundred dollars ($200), the officers of said bureau having urged the petitioner to have his aforesaid inventions and improvements protected by letters patent, with the view of securing to the United States, in the said Bureau of Engraving and Printing, by licenses as aforesaid, the exclusive use of the said inventions and improvements.

12. At the time of the issue of the aforesaid letters patent to the petitioner and at the time of the execution of the licenses aforesaid it was agreed between the petitioner, on the one hand, and the superintendent of said Bureau of Engraving and Printing, acting for and on behalf of the United States, on the other hand, that the petitioner should be retained and employed in said bureau as machinist as long as said bureau continued to use said inventions and improvements or any of them under the aforesaid licenses, and accordingly the petitioner was retained and employed as a machinist in said bureau until about the 1st day of April, A. D. 1876, when he was discharged from such employment and from the service of the United States, and he was never afterwards employed as a machinist in said bureau, or in any manner whatever in the service of the United States, except for a short time, to wit, from about the 1st day of January, 1877, to about the 1st day of October, 1877, during which time he was employed in said bureau as a watchman.

13. The money so as aforesaid advanced to the petitioner to enable him to procure letters patent aforesaid and his employment as a machinist as aforesaid are included in the "valuable consideration" mentioned in the aforesaid licenses, but, except said money and the salary paid to the said petitioner as a machinist as afore-

said, the petitioner has received no compensation whatever
8 of any kind from the United States, or from any person on account of the United States, for use by the United States of the improvements and inventions.

14. The petitioner says that under the aforesaid licenses there was an implied agreement between the United States and the petitioner that the United States should pay to the petitioner for the use of said improvements and inventions whatever the said use was reasonably worth, and the petitioner upon information and belief says that the said use is reasonably worth the sum of thirty-one thousand dollars ($31,000).

15. The petitioner further says that on or about the 1st day of January, A. D. 1882, in consideration of money paid to the petitioner, he assigned and transferred to Christian G. Schneider, of the city of Washington, in the District of Columbia, a two-third interest in the aforesaid letters patent; that, except as far as such assignment gives to said Schneider an interest in the claim, the petitioner has not assigned or transferred his claim in the premises or in any part thereof or any interest therein; that, as he believes, he is justly entitled to the amount which he claims to be due to him for the use of said inventions and improvements as aforesaid by the United States after allowing all just credits and offsets; that the petitioner has at all times borne true allegiance to the Government of the United States, and has not voluntarily aided, abetted, or given encouragement to rebellion against said Government, and he believes that the facts stated in this petition to be true.

PHILIP McALEER.

DISTRICT OF COLUMBIA, *ss:*

Subscribed and sworn to before me this 27th day of November, A. D. 1888.

[SEAL.] RUTLEDGE WILSON,
U. S. Commissioner for District of Columbia.

T. A. LAMBERT,
Attorney for Claimant, 410 *Fifth St. N. W.,*
Washington, D. C.
UPTON M. YOUNG,
Of Counsel.

9 III.—*Defendant's Special Answer to Claimant's Petition. Filed April* 28, 1889.

The defendant answers claimant's petition and says:

1. That claimant's cause of action, if any he had, for improvements made on the so-called "automatic machine" for cutting fractional currency in 1863 and 1864 and for improvements made on the "Sheridan machine" for cutting fractional currency, which superseded the said "automatic machine" in 1869, accrued more

than six years prior to December 1, 1882, the date of the filing of claimant's petition in cause No. 13376 herein.

2. That for a valuable consideration claimant assigned, transferred, and set over to the United States, by written assignments or licenses, his said patented improvements, which written licenses were duly recorded in the United States Patent Office and remain in full force and effect and are as follows:

(Liber C 20, page 39.)

Whereas I, Philip McAleer, of Washington, D. C., have invented certain improvements in needle-registering boards, for which I am about to make application for letters patent of the United States therefor;

And whereas the United States Treasury Department is desirous of acquiring the right to use said invention as described in said application preparatory to my obtaining letters patent therefor:

Now, this indenture witnesseth that for the sum of one dollar and other valuable considerations to me paid by the said department I do hereby grant and license the said United States Treasury Department and its bureaus the right to make and use my improved needle-registering boards as described in said application and any letters patent that may be issued therefor to the full end and term for which said letters patent may be granted.

Witness my hand — seal this 10th — of December, 1875.

PHILIP McALEER. [L. S.]

Recorded Jan. 17, 1876.

(Liber C 20, page 40.)

Whereas I, Philip McAleer, of Washington, D. C., have invented certain improvements in paper-perforating machines, for which letters patent of the United States were granted to me and bear date December 7th, 1875;

And whereas the United States Treasury Department is desirous of acquiring the right to use said invention as fully described in said letters patent:

Now, this indenture witnesseth that for the sum of one dollar and other valuable consideration to me paid by the said department I do hereby grant and license the said United States Treasury Department and its bureaus the right to make and use machines containing the improvements claimed in said letters patent to the full end of the term for which said letters patent are granted.

Witness my hand and seal this 10th day of December, 1875.

PHILIP McALEER. [L. S.]

Recorded Jan. 17, 1876.

Whereas I, Philip McAleer, of Washington, D. C., have invented certain improvements in paper-perforating machines, for which letters patent of the United States were granted to me December 7, 1875, No. 170,873; and whereas the United States Treasury Depart-

ment is desirous of acquiring the right to use said invention as described in said patent: Now, this indenture witnesseth that for the sum of one dollar and other valuable considerations to me paid by the said department I do hereby grant and license the said United States Treasury Department and its bureaus the right to make and use my said improvements in paper-perforating machines as described in said patent to the full end and term for which said letters patent are granted.

Witness my hand and seal this 10th day of January, 1876.

PHILIP McALEER. [SEAL.]

Wherefore defendant demands judgment.

JOHN C. CHANEY,
Assistant Attorney.

11 IV.—*Motion of Defendants to Dismiss Petition. Filed April* 28, 1889.

The defendant hereby moves to dismiss claimant's petition as to so much thereof as demands money for his so-called non-patentable improvements set out therein, for the reason that they and each of them are distinct demands which accrued more than six years prior to the bringing of petitioner's action, there being no matter averred in said petition in avoidance of the statute of limitations. (C. Cl's R., rule 70, and C. Cl's R., No. 122,374.)

JOHN C. CHANEY,
Assistant Attorney.

12 V.—*Plea of Lack of Novelty of Invention. Filed by Defendants Feb'y* 26, 1890.

No. 170,873.

The defendants for amended special answer to the claim of claimant for the use of patented improvement No. 170,873, patented December 7, 1875, says the said alleged invention is not novel; that the said alleged invention was anticipated by that of one Augur Judson in his patented improvement for rotary paper-cutter, No. 164,920, dated June 29, 1875, and that said alleged invention is also anticipated by Alva Worden's patent leather cutter, No. 41459, patented February 2, 1861, and by the patent leather cutter of Merriam and Norton, No. 55336, patented June 5, 1866.

JOHN B. COLTON,
Ass't Att'y General.
JOHN C. CHANEY,
Ass't Attorney.

13 VI.—*Argument and Submission of Case.*

At a Court of Claims held on the 26th and 27th days of February and on the 3rd and 4th days of March, 1890—

This case was argued by Mr. Young and Mr. Lambert, for the claimant, and by Mr. Chaney, for the defendants, and submitted.

14 VII.—*Findings of Fact and Conclusion of Law. Filed March 31, 1890.*

Findings of fact.

This case having been heard by the Court of Claims, the court, upon the evidence, find the facts to be as follows:

1. Plaintiff is a citizen of the United States, a resident of the city of Washington, and a machinist by occupation.

2. From the year 1864 until about the 16th day of February, 1876, plaintiff was employed as a mechanic in the Bureau of Engraving and Printing, formerly designated the currency division of the Treasury Department. His duties were those of a skilled mechanic and during the greatest part of the time particularly related to the charge and repair of machines used in that bureau for cutting and trimming fractional currency, including machines of the character hereinafter mentioned.

During eleven months, beginning in November, 1876, and ending about September 10, 1877, he was employed in said bureau and paid as a watchman. At the latter date he was discharged.

(3.) December 7, 1875, letters patent No. 170,873 were issued to plaintiff for improvement in paper-perforating machines.

(4.) Of the perforating machines described in the specifications accompanying letters patent 170,873, thirteen have been made for the use of the Bureau of Engraving and Printing, and that number of machines are now in use there, as are some "pin machines."

(5.) The difference in operation between the plaintiff's invention for paper-perforating and the machine known as the "pin machine," which it was designed to supersede, *are* in many respects in favor of the former. The speed of the former is greater than the latter; it will perforate more sheets *per diem;* the cost of constructing the knives is less than that of constructing the pins; the knife machine requires less repair than the pin machine. The pin machine does not punch entirely through the paper, but leaves a burr at the back, while the knife machine makes a clean cut, leaving no burr. This is the principal advantage of the knife machine and is a material one.

6. Except as hereinafter found (see finding 9) plaintiff has received no compensation from the Government for the use of his invention.

7. January 10, 1876, plaintiff executed the instrument set forth at the close of this finding, which was recorded in the Patent Office (Liber C 20, p. 40) January 17, 1876.

This assignment was made at the suggestion of George B. McCartee, then chief of the Bureau of Engraving and Printing.

15 It was contemporaneously agreed by and between plaintiff and said McCartee that the assignment should hold good only during plaintiff's employment in said Bureau of Engraving

and Printing and not longer. Plaintiff was discharged from Government service without fault on his part September, 1877, and his efforts to be restored have been fruitless.

Plaintiff's request to have the machines in question stamped with his name as patentee was refused by the chief of the Bureau of Engraving and Printing.

Whereas I, Philip McAleer, of Washington, D. C., have invented certain improvements in paper-perforating machines, for which letters patent of the United States were granted to me and bear date December 7th, 1875;

And whereas the United States Treasury Department is desirous of acquiring the right to use said invention as fully described in said letters patent;

Now this indenture witnesseth, that for the sum of one dollar and other valuable consideration to me paid by the said department, I do hereby grant and license the said United States Treasury Department and its bureaus the right to make and use machines containing the improvements claimed in said letters patent to the full end of the term for which said letters patent are granted.

Witness my hand and seal this 10th day of December, 1875.

[L. S.] PHILIP McALEER.

Recorded Jan. 17, 1876.

8. It was no part of plaintiff's official duty to make the said invention. In making it he used Government material, but this was of trifling value; he made it partly out of office hours in the office, partly out of office hours at his home, and partly at such hours as he found leisure during office hours in the office.

The device was to be applied to machines then under his charge as a machinist; it was made entirely with Government tools and machinery; he was aided by Government employés; the device was not used until 1879, when plaintiff was not in Government employ; before it would operate the device required mechanical changes; these were made, and the device was perfected and applied by Government machinists using Government tools and material.

9. Plaintiff received from the Government wages as a machinist from some time in 1864 to February, 1876, inclusive, and as a watchman from November, 1876, to September, 1877, both inclusive. The Government paid the Patent Office expenses and fees incident to the issue of the patent.

10. The following assignment was made by plaintiff:

Whereas by assignment dated July 1st, 1882, one Asa Whitehead did assign and set over unto Christian G. Schneider all right, title and interest in certain patents, claims, and property acquired from one Philip McAleer:

Now this agreement witnesseth that, in consideration of the mutual interest of the parties hereto in said patents, claims, and property, as well as other valuable considerations moving thereto, the parties hereto agree that in the collection, receipt, and payment of

any accounts or moneys which may now be due for the use heretofore of, or which may hereafter become due and payable by reason of the use of any one or more or all of the devices or machines mentioned in the letters patent granted to or to be applied for by the said Philip McAleer by the Bureau of Engraving and Printing in the Treasury Department of the United States of America, or by any agent thereof, all such accounts, receipts, or moneys shall be and are to be divided equally between them, the parties hereto, share and share alike, the one-half to the said Philip McAleer and the one-half to the said Christian G. Schneider.

And further that in any contract made, or which may be made, under and by reason of the aforesaid assignment of Asa Whitehead to Christian G. Schneider, dated July 1st, 1882, whereby the right to manufacture for use and to use may be granted, or any sale made to any person or persons, or to any bureau or Department of the United States other than the said Bureau of Engraving and Printing, all royalty or royalties and moneys received or paid by reason thereof shall be and are to be divided between the parties hereto in the following proportions, that is to say, five-eighths ($\frac{5}{8}$) to the said Christian G. Schneider and three-eighths ($\frac{3}{8}$) to the said Philip McAleer.

In witness whereof the said parties hereto set their hands and seals, thereby binding their assigns and legal representatives, this 1st day of July, A. D. 1882.

[SEAL.] PHILIP McALEER.

Witnesses:

E. H. BRADFORD.
CHRISTIAN G. SCHNEIDER. [SEAL.]

17 11. Plaintiff's invention was applied as follows to machines in the Bureau of Engraving and Printing:

The first machine was completed in April, 1879; two in August, 1879; one in October, 1879; six at divers times between December 10, 1880, and February 18, 1881; one in April, 1881; two in the spring or summer of 1884. All of these machines are not in use at the same time. Each machine can separate about 8,000 sheets a day.

12. The following are the specifications, claims, and drawings upon which plaintiff's patents issued, and specifications, claims, and drawings upon which patents were issued at the dates shown to the persons named therein:

P. McALEER.

PAPER PERFORATING-MACHINE.

No. 170,873. Patented Dec. 7, 1875.

No 350
McAleer
U.S.
p 16.

Fig: 1.

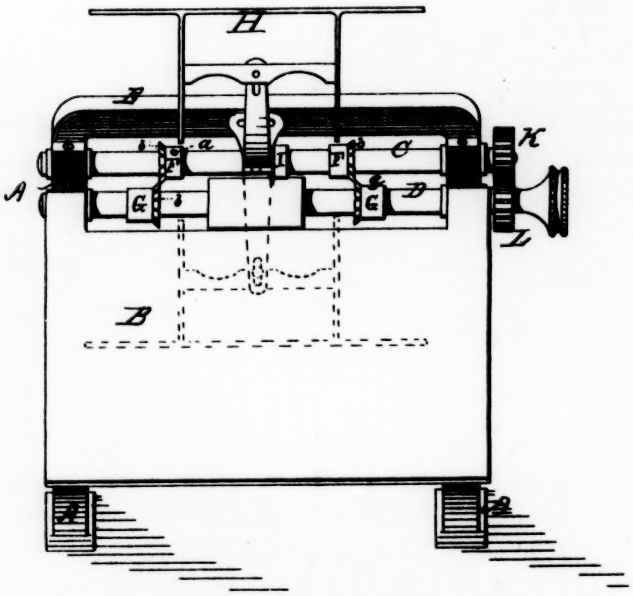


Fig: 2.

Witnesses:
F. B. Townsend
Osborne Brookes

Inventor:
Phillip McAleer
By atty
Wm. C. Rowland

UNITED STATES PATENT OFFICE.

PHILIP MCALEER, of Washington, District of Columbia.

Improvement in Paper-Perforating Machines.

(Specification forming part of Letters Patent No. 170,873, dated December 7, 1875; application filed September 14, 1875.)

To all whom it may concern:

Be it known that I, Philip McAleer, of Washington, in the county of Washington and District of Columbia, have invented certain new and useful improvements in paper-perforating machines; and I do hereby declare that the following is a full and exact description thereof, reference being had to the accompanying drawings, making a part of this specification.

My invention relates to improvements in machines adapted for perforating and cutting paper designed to be subsequently separated by hand. It has for its object to produce a cut which shall leave no burr, so that sheets perforated or cut may be compactly packed upon each other, and be readily counted and handled without sticking or catching to one another. With this object in view my invention consists of a perforating-machine, the cutting-knives of which are adjustably secured to two parallel shafts, and adapted to slightly pass each other when rotated, so that the cutting surfaces shall in passing each other penetrate the interposed sheet from opposite sides and produce a shearing-cut, thus avoiding any burr on either side of the paper, as will be hereinafter more fully set forth.

To enable those skilled to more fully understand the construction and operation of my machine I will proceed to describe the same, referring by letters to the accompanying drawing, in which—

(Here follows diagram marked page 16.)

Figure 1 is a top perspective view of a machine embodying my invention; and Fig. 2 a detail view of the cutting disks, showing clearly the passage of the cutting edges to produce the shearing-cut.

Similar letters indicate the same parts in both figures.

A is the frame of the machine, provided with a feed-table, B, C, and D are two parallel shafts, mounted in suitable bearings in upwardly-inclined projections of the frame A, the bearing-boxes being held in place by a suitable supporting cross-arbor and frame, E, screwed to the frame, as clearly seen in Fig. 1. F and G are circular knives, secured by set-screws *a* to the parallel shaft, so that their cutting edges will just pass a common center between the shafts C and D. These knife-edges are slightly beveled to make them more keen and certain in their cutting, and are divided up into any number of independent knives by radial slots *b*, extending from the periphery inwardly a short distance. The upper shaft C is ar-

ranged slightly behind the vertical axis of the shaft D, so that the heels of the successive knives shall approach and pass each other, as clearly seen in Fig. 2, and thus produce a shearing-cut. The slots or spaces *b* between the knives form interruptions to a continuous cut, and thus leave solid partitions in the sheet between the cuts made by the knife-edges.

The rotary knife-disks are adjusted longitudinally upon their respective shafts up toward each other, so that they will just pass without contact. This may — done by placing a sheet or strip of thin paper between their disk-faces while adjusting and withdrawing it after the set-screws have been secured.

H is a guide-clamp, hinged to the arbor of the frame, and so hinged that it may be thrown up in the position shown in Fig 1, out of the way, when desired, and dropped down into the position shown in dotted lines, to rest upon and guide the sheet being operated upon.

The knives, slightly passing each other, and the common center between the shafts, necessarily penetrate the sheet of paper, and the edges of the slots *b* grasp the partitions between the cuts, and serve to positively feed the paper through the machine, requiring no other device for accomplishing this end.

The shafts C and D are geared together for obvious reasons.

What I claim as new, and desire to secure by letters patent, is—

In a perforating machine, the combination, with two parallel shafts, of one or more disk-knives adjustably secured to each shaft, and having their peripheries broken by radial slots and adapted to overlap, substantially as and for the purpose described.

Witness my hand and seal to foregoing specification this 25th day of August, A. D. 1875.

PHILIP McALEER. [L. S.]

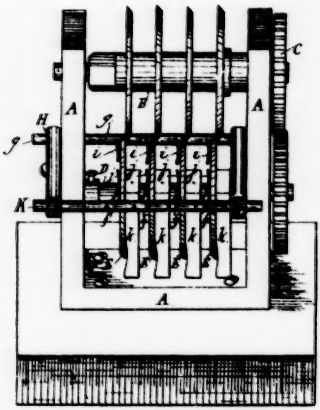
In presence of—
ARTHUR L. McINTIRE.
COLBOURNE BROOKES.

A. JUDSON.

Rotary Paper-Cutter.

No. 164,920. Patented June 29, 1875.

Fig. 1



No. 350. McAleer v. U.S. States } p. 18.

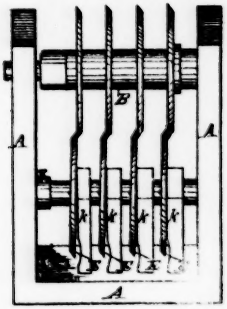


Fig. 2

Witnesses:

Geo. T. Smallwood Jr.

John Robey Jr.

Inventor:

Augur Judson

By John J. Halsted
Atty.

19 UNITED STATES PATENT OFFICE.

AGUR JUDSON, of Newark, New Jersey, assignor of one-half his right to D. Howard Judson, of same place.

Improvement in Rotary Paper-Cutters.

(Specification forming part of Letters Patent No. 164,920, dated June 29, 1875; application filed June 9, 1875.)

To all whom it may concern:

Be it known that I, Agur Judson, of the city of Newark, county of Essex, and State of New Jersey, have invented certain improvements in machines for cutting paper into strips for telegraphic and other purposes; and I do hereby declare that the following, taken in connection with the drawings which accompany and form part of this specification, is a description of my invention sufficient to enable those skilled in the art to practice it.

My invention consists in employing, in conjunction with a series or gang of disk cutters fixed on a revolving shaft, another series or gang, peculiarly applied upon another shaft, whereby they may be adjusted to a proper inclination relative to the plane of revolution of the non-adjustable or other gang; and it further consists in certain details of construction.

In the accompanying drawings—

(Here follows diagram marked p. 18.)

Figure 1 represents a front view of a machine illustrating my invention; and Fig. 2, a similar view of the frame, showing the inclination of the adjustable shutters on one shaft relatively to the fixed ones on the other shaft.

A is a frame-work of any appropriate kind; B, a revolving shaft, driven by any suitable gear, C, and carrying any desired number of circular or disk cutters secured thereon. D is another or lower shaft, parallel with shaft B, and having a gear engaging with and imparting motion to gear C. On this shaft, D, I place a series of disk cutters, E, none of which are rigidly secured to the shaft, but, on the contrary, so applied thereon that while they are caused to revolve with the shaft they may be adjusted thereon to a slight inclination to the axis of their shaft, and held yieldingly to such position, this inclination insuring a proper clean shearing cut as the paper passes between the upper and lower cutters.

An efficient means which I have devised to effect this end is as follows: Each disk cutter E is placed upon its shaft loosely enough to permit a limited lateral play and lateral adjustment, a key or pin, *f*, or other proper detent, compelling it, however, to revolve with the shaft. A bar or rod, G, made adjustable in its support or bearings H, is provided with a series of pins or projections, *i i*, etc., each of which serves to limit the inclination to which

its adjacent cutter may be deflected out of parallelism with the cutters on the shaft B. A series of springs, *j j*, etc., secured to an adjustable rod or bar, K, bears, one against each of the disks, forcing one side of each disk in one direction until its opposite side is brought against the limiting guides or pins *i i*, the other surface or face of each disk near its center bearing against any suitable post, sleeve, or stop, *k*, whereby it shall not be capable of being moved beyond the predetermined fixed limit in that direction.

It will be seen that the degree to which the bar G is shifted, so as to move its guides or pins *i i* away from the back of the disks, will determine the degree of inclination of the cutters E relatively to the upper cutters, and to the shaft D, and that the springs *j j*, exerting, as they do, a constant pressure against the back of the disks at one side of their centers, keep them up to their work under any and all adjustments required. At the same time the edges of the disk, where the cutting or shearing of the paper takes place, are always in proper working contact.

It will be further observed that I avoid all liability of straining or tearing the paper, which is incident to all machines where paper is pulled through the machine against the edges of stationary knives, for in my machine the cutters are the partial feeders and assist to draw the paper through.

The paper may be fed to and received from the cutters by any proper means.

If paper strips of different widths be desired, the same shafts, which may be of any required length, may have different gangs of cutters, those of one gang being set farther from each other than those of another: by this means producing at the same time strips of different widths.

I claim—

1. In combination with two parallel shafts and a series of disk paper-cutters fixed on one of them, a series of disk cutters on the other shaft, and revolving therewith, but adapted to be adjusted to an inclination to the plane of revolution of the other series, substantially as and for the purpose set forth.

2. In combination with the shaft D and its loosely attached cutters E, the springs *j*, guide-pins *i*, and stops *k*, applied and operating relatively to the cutters, substantially as and for the purpose described.

AGUR JUDSON.

Witnesses:
GEO. T. SMALLWOOD, JR.
WALTER PARSONS.

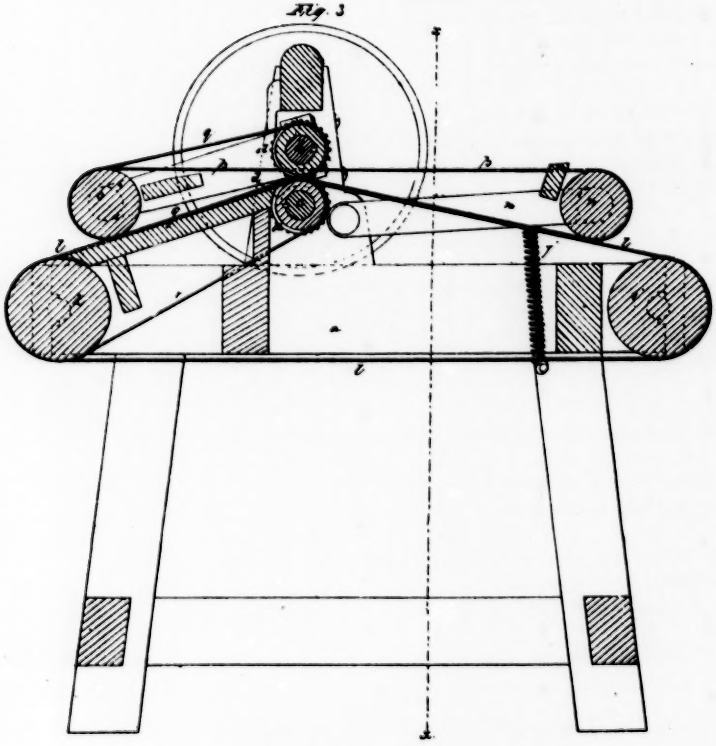
Sheet 3-3 Sheets

Merriam & Norton,

Cutting Leather,

No. 55,336, Patented June 5, 1866.

Fig. 3



Witnesses
[illegible]

No. 350.
McAleer
U. States.
p. 22.

Inventor
M. & M. Merriam
& N. Norton
by their Atty

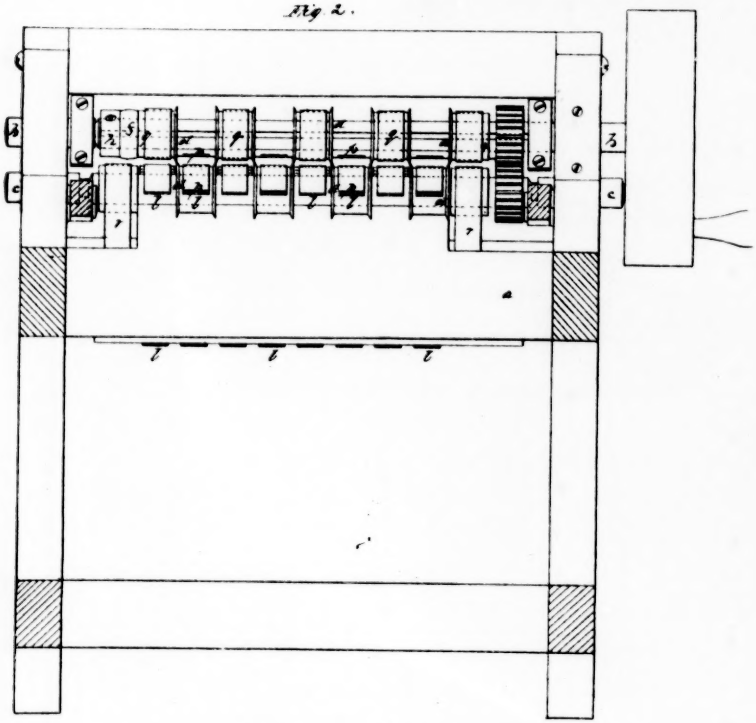
Sheet 2-3 Sheets

Merriam & Norton,

Cutting Leather.

No. 55,336. Patented June 5, 1866.

Fig 2.



No. 350.
McAleer v. U.S. } p. 21.

Witnesses

Inventor

M. R. Merriam
C. L. Norton.
by their Atty

Sheet 1. 3 Sheets.

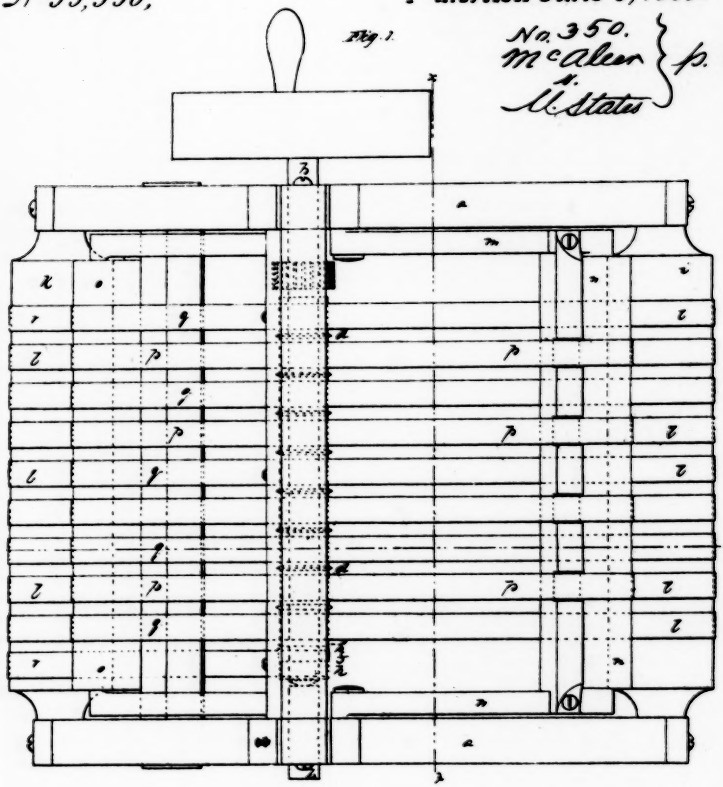
Merriam & Norton,

Cutting Leather;

No. 55,336, Patented June 5, 1866.

Fig. 1.

No. 350.
McAleer
v.
U. States
} p. 20.



Witnesses:

Inventor:
M. H. Merriam.
E. L. Norton
by Their Atty

23 UNITED STATES PATENT OFFICE.

M. H. MERRIAM and E. L. NORTON, of Charlestown, Massachusetts.

Improved Cutting-Machine.

(Specification forming part of Letters Patent No. 55336, dated June 5, 1866.)

To all whom it may concern :

Be it known that we, M. H. Merriam and E. L. Norton, both of Charlestown, in the county of Middlesex and State of Massachusetts, have invented an improved machine for cutting leather into strips; and we do hereby declare that the following, taken in connection with the drawings which accompany and form part of this specification, is a description of our invention sufficient to enable those skilled in the art to practice it.

This invention relates, generally, to the manufacture of shoe-binding, and particularly to the method of cutting skins into those strips which, by subsequent processes, are made into long shoe-binding ribbon.

The invention consists in the employment of two series of conducting aprons or tapes, between which the skins are fed up to the cutters, in combination with an upper and a lower series of rotary disk-cutters; also in arranging the series of tapes or aprons so as to conduct the skins up to and away from the cutters, the material being kept in position between the tapes during the entire action of the cutters upon each skin; also in the employment of auxiliary tapes between the main tapes to conduct the strips from the machine; also in the arrangement of the cutter-blocks loosely on their shafts, with a spring on the outer end of one or both series of blocks, by means of which the whole of both series of cutters are kept in proper relative lateral position; also in the arrangement of the upper tapes or aprons upon swinging frames, by means of which a pressure is maintained upon the skins and strips cut therefrom during their entire passage through the machine.

A machine embodying the invention is represented in the drawings, figure 1 showing a plan of the same; Fig. 2, a vertical transverse section on the line *x x* of Fig. 1; Fig. 3, a vertical longitudinal section.

(Here follow diagrams marked pp. 20, 21, & 22.)

a denotes the frame; *b* and *c*, the cutter-shafts, geared together, and each carrying a series of cutter-blocks, so mounted upon the shaft as to rotate with it, and so as to be capable of sliding endwise upon it. The inner faces of the outer blocks on each shaft and both faces of each of the other blocks has fixed to or forming part of it a circular or disk cutter, *d*, every two adjacent cutters on the opposite shafts forming rotary shears.

The end block, *e*, of the upper shaft is made stationary with respect to the shaft, and the adjacent cutter on the lower shaft everlaps the inner face of the corresponding cutter of the upper shaft to form the shears, and each two cutters of each block on the upper and lower shafts, respectively, work between the two cutters of adjacent blocks on the opposite shaft, so that the distance apart of the cutters on each block being equal, the two series of cutters form a series of rotary shears at equal distance apart.

To keep the cutting-faces of the whole series of shears in contact a spring, *f*, preferably of rubber, is inserted between the outer cutter-block, *g*, and a block, *h*, the pressure of the spring having a tendency to force the whole series of blocks endwise, and, of course, keeping the cutters in contact, one spring serving to preserve the contact of every set of cutters working together.

In card-cutting machinery disk-cutters arranged upon two shafts have been kept in relative position by springs placed within blocks and pressing the cutters up to their proper bearings; but it will be obvious that the accurate adjustment of the cutters cannot be so readily maintained by such construction as by the employment of a single spring crowding the whole series of cutters in the same direction and maintaining them accurately in position, and the necessity of the employment of blocks between the cutter-blocks is obviated.

At the front end of the frame *a* a drum, *i*, is mounted in stationary bearings, and at the opposite end of the frame is a similar drum, *k*. Around these two drums, and over the lower set of cutter-blocks, a series of aprons or tapes, *l*, extends, as seen in Fig. 3.

To the standards which support the cutter-shafts a swinging frame, *m*, is hung, the outer end of this frame carrying a drum, *n*, around which and a similar drum, *o*, on a swinging frame at the opposite end of the machine, and over each alternate cutter-block of the lower shaft, a tape, or apron, *p*, passes, as seen in Fig. 3. Each tape *p* travels in contact with the tape *l* below it or with the skins passing over such tapes *l*. The drum *i* sets out beyond the drum *n*, so that the skin can be brought properly into position for the upper tapes to bite upon it as it is presented between them, the two sets of tapes acting as carriers to take the skins up to the cutters, and, by their pressure upon or contact with the skin, keeping it properly distended or from being drawn away as it passes between them and is acted upon by the cutters. Pressure of the upper tapes upon the skin supported on the lower tapes is produced by the weight of the swinging drum *n*, or by suitable springs *j*, and pressure of the upper tapes upon the strips cut from the skin, to keep them firmly in position and feed them from the machine, is produced by the weight of the drum *o*, or suitable springs which hold the same down.

In conjunction with another or third series of tapes, these tapes also act to keep the strips properly in place after the action of the cutters and as they are fed from said cutters, they being maintained in the same relative position they occupied in the skin until the cutters have acted upon the whole skin. These auxiliary tapes *q*

pass around the upper cutter-blocks and the drum *o*, so that each strip cut by the knives is held between the tapes *l* and *p*, or between the tapes *l* and *q*, excepting the two outer strips, which are fed between the tapes *q* and bands *r*, passing around the end blocks on the lower cutter shaft and the drum *k*.

From this description the operation of the tapes which feed the skin into the machine and keep it in position with respect to the cutters, the action of the cutters in dividing the skins into strips of equal width, and the action of the tapes which keep in position all of the strips and feed them from the machine, will be readily understood.

We claim—

1. The arrangement of the cutter-blocks to slide upon their shafts when they are kept in relative position by a spring or springs upon the end of one or both of the cutter-shafts, substantially as described.

2. The combination of two series of tapes holding the skins in position and feeding them to the action of the cutters with two series of disk-cutters which divide the skins into strips, substantially as set forth.

3. The combination, with cutters which divide the skins, of a series of tapes conducting the material to and carrying it in strips from the action of the cutters.

4. The employment of the auxiliary tapes which, in connection with the main tapes, keep all the strips in position until the skin is cut entirely through.

5. Hanging the drums, around which the upper tapes pass, upon swinging frames, so that pressure of the upper tapes upon the skin is maintained, substantially as set forth.

In witness whereof we have hereunto set our hands this 24th day of November, A. D. 1865.

M. H. MERRIAM.
E. L. NORTON.

Witnesses:
J. B. CROSBY.
F. GOULD.

25 UNITED STATES PATENT OFFICE.

ALVA WORDEN, Ypsilanti, Michigan.

Machine for Cutting Leather Fly-Nets.

(Specification forming part of Letters Patent No. 41459, dated February 2, 1864.)

To all whom it may concern :

Be it known that I, Alva Worden, of the city of Ypsilanti, in the county of Washtenaw, and State of Michigan, have invented a new and useful machine for cutting leather fly-nets for horses; and I do declare that the following is a full, clear, and exact description of the construction and operation of the same, reference being had to the annexed drawings, making a part of this specification, in which—

(Here follows diagram marked p. 24.)

Figure 1 is a perspective view of the machine set up and ready for use. Fig. 2 is a transverse section. Fig. 3 represents one of the circular knives, and Fig. 4 one of the plates or washers used upon the shaft of the cylinder to hold the knives the required distance apart.

The letter A represents the horizontal shaft upon which the knives are attached.

Letter B represents two pinions, which cause both shafts to revolve at the same time.

Letter C represents the perpendicular standard or frame-work in which said shafts revolve.

Letter D represents the nut by which the knives are held stationery upon the shaft.

Letter E represents one of the washers or plates that separate the knives.

Letter F represents one of the knives detached from the cylinder, and letter G represents the box in which the journals of the shaft revolve.

The nature of my invention consists in arranging circular knives, separated by uniform plates or washers, upon a horizontal shaft or cylinder, with spaces or breaks in the circular knives, so arranged that the space or break in each alternate knife will form direct rows or lines, so that when the knife-cylinder is made to revolve by means of a crank or pull-y the edges of the knives working upon smooth surface or corresponding cylinder fitted with grooves in which the edges of the knives work closely, uniform slits or incisions with breaks in each alternate row will be made in a strip of leather of the desired width to form a net-work.

The machine is constructed by round or circular knives fitted upon a small horizontal shaft with a round or circular plate of

A. Worden

No. 350 McAleer U. States p. 24.

Cutting Leather.

No 41,459. Patented Feb. 2, 1864.

Fig. 1.

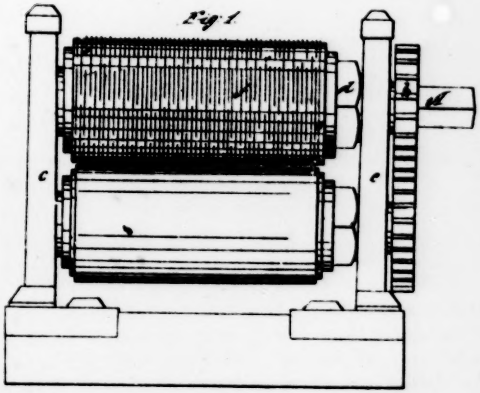


Fig. 2.

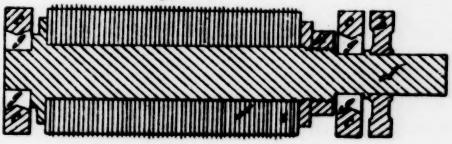


Fig. 3.

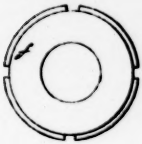


Fig. 4.

Witnesses:

Inventor:

Alex. Worden

smaller size, also fitted upon the same shaft between the knives with spaces of uniform size and distances cut out of the edges of the knives, and when the required number of knives are fitted upon the shaft the whole is firmly united, forming a firm cylinder by means of nuts and screws at the end of the shaft.

What I claim as my invention, and desire to secure by letters patent, is—

The arrangement of circular knives upon a revolving cylinder so that passing a strip of leather under the cutting cylinder uniform incisions will be made in the leather with uniform breaks in each alternate row of incisions, so that the leather when cut by the machine forms a diamond net-work.

ALVA WORDEN.

Witnesses:
R. J. STUCK.
A. C. BLODGET.

Conclusion of Law.

Upon the foregoing facts the court find as conclusion of law that *that* the petition be dismissed.

VIII.—*Opinion of the Court.*

DAVIS, *J.*, delivered the opinion of the court:

A patent was issued to plaintiff for a device intended to cut sheets of stamps in such a manner that they come from the machine not entirely separated, but so cut that they can be easily torn apart. The device was intended to supersede the pin machine, which produced the same result in the familiar manner of punching a series of holes between the stamps, and plaintiff's device had certain advantages over the pin machine which led to its general but not exclusive use in the Bureau of Engraving and Printing.

For a period of some thirteen years, beginning in 1864 and ending in 1877, plaintiff was almost continuously in the employ of the Bureau of Engraving and Printing as a machinist, and during most of his service he was required to care for and repair machinery in the separating-room, where work of the nature performed by his device was carried on. While perfecting his invention plain-
26 tiff was paid as a machinist; he used Government property of trifling value in making his device; he worked upon it in office hours; he used Government tools and machinery in its preparation, and the Government paid the expenses and fees incident to the issue of his patent.

The case then seems to fall within the rulings heretofore made by this court in the cases of Solomons and Davis (22 C. Cl's R., 342; 23 C. Cl's R., 329.)

A distinction is sought to be drawn between the right to the machine itself and the right to use the machine upon the theory that the actual use of the machine was in this case coupled with a condition for payment. It appears from the findings that a written

assignment was made by plaintiff to defendants, which in its term was absolute. By it plaintiff, for "the sum of $1 and other valuable considerations to be paid," licensed the Government to "make and use" his invention during the term of the patent. This absolute assignment was qualified by a contemporaneous understanding that the free use should only last while plaintiff was retained as an employé in the Bureau of Engraving and Printing.

In the view we take of the case the distinction does not seem important. Plaintiff made his invention while caring for machines similar to his own. True, it was not part of his duty to invent, but it was his duty to do anything found necessary to secure from the machines under his charge most efficient service, to make all repairs to the machines, and to suggest and apply any improvement which might occur to him, not as an inventor, but as a skilled mechanic. The Government had a right to his time and to his best efforts as a machinist. While so employed he devised an improvement to be applied to machines then under his charge. Admitting that this improvement was the product of inventive genius as distinguished from mechanical skill, still the work was largely done in office hours when plaintiff was receiving pay. It was done entirely with Government tools and machinery, and the Government paid for the patent. The device was not used until 1879, when the plaintiff was no longer in the service of the bureau, and before it worked efficiently the improvement required certain mechanic changes. These were made and the device was perfected and applied by Government machinists using Government tools and material. The case therefore falls within the rule laid down in Solomon's case (*supra*).

There have been introduced in evidence as anticipating plaintiff's invention three patents. One is for a paper-cutting machine, consisting of two circular knives fitted to parallel horizontal shafts, one above the other, and so adapted that the cutting edges of the knives slightly pass each other when rotated, and operating as shears cut a sheet of paper passed between them. Another is a similar device for cutting leather bands. These devices both make a clean cut and are without slots. The third patent is for a machine to cut leather fly-nets for horses, thus constructed. Round or circular knives are fitted upon a small horizontal shaft "with a round or circular plate of smaller size also fitted upon the same shaft between the knives, with spaces of uniform size and distances cut out of the edges of the knives, and when the required number of knives are fitted up on the shaft the whole is firmly united, forming a firm cylinder by means of nuts and screws at the end of the shaft." Elsewhere in this specification the knives are described as "circular," as placed upon a horizontal shaft or cylinder, with "spaces or breaks" in the knives. This cylinder when revolved cuts upon a corresponding but smooth cylinder fitted with grooves. The machine makes incisions in leather passed through it, leaving alternate breaks and producing a diamond net-work.

We do not find in this machine the two sets of knives acting as shears, but we do find the circular slotted knife.

Whether with the fly-net machine and the paper-cutting machine before him it required on the part of plaintiff anything more than the skill of a mechanic to slot the circular knives of the cutter may well be doubted. But this question it is not necessary now to discuss, as for the reasons already stated the petition is dismissed.

27 IX.—*Judgment of the Court.*

At a Court of Claims held in the city of Washington on the 31st day of March, A. D. 1890, judgment was ordered to be entered as follows:

The court, on due consideration of the premises, find for the defendants and do order, adjudge, and decree that the petition of the claimant, Philip McAleer, be dismissed.

BY THE COURT.

28 X.—*Application of Claimant for and Allowance of Appeal.*

PHILIP MCALEER *vs.* THE UNITED STATES. } Nos. 13376 and 16383 (Consolidated).

And now comes the claimant, by T. A. Lambert, his attorney of record, and prays the court to allow an appeal to the Supreme Court of the United States from its decision of the above-entitled causes rendered heretofore, to wit, on the 31st day of March, 1890.

T. A. LAMBERT,
Attorney for Claimant.

Filed and allowed in open court May 7, 1890.

WILLIAM A. RICHARDSON,
Chief Justice.

29 In the Court of Claims.

PHILIP MCALEER *vs.* THE UNITED STATES. } Nos. 13376 and 16383, Consolidated.

I, John Randolph, assistant clerk of the Court of Claims, do hereby certify that the foregoing are true transcripts of the pleadings in the above-entitled cause, of the findings of fact by the court and conclusion of law thereon, of the opinion of the court, of the judgment of the court, of the application of the claimant for and the allowance of appeal to the Supreme Court of the United States.

In testimony whereof I have hereunto set my hand and affixed the seal of said Court of Claims, at Washington, D. C., this 14 day of May, A. D. 1890.

JOHN RANDOLPH,
Ass't Clerk Court of Claims.

Endorsed on cover: Case No. 14,041. Court of Claims. No. 350. Philip McAleer, appellant, *vs.* The United States. Filed May 20, 1890.

150 U.S. 424

U.S. Supreme Court
FILED
NOV 3 1893
JAMES H. McKENNEY,
CLERK.

IN THE

Supreme Court of the United States.

OCTOBER TERM, 1893.

Term No., 108.

PHILIP McALEER, APPELLANT,

vs.

THE UNITED STATES.

APPEAL FROM THE COURT OF CLAIMS.

BRIEF FOR APPELLANT.

TALLMADGE A. LAMBERT,
Of Counsel for Appellant.

JUDD & DETWEILER, PRINTERS, WASHINGTON, D. C.

IN THE

Supreme Court of the United States.

OCTOBER TERM, 1893.

Term No., 108.

PHILIP McALEER, APPELLANT,

vs.

THE UNITED STATES.

APPEAL FROM THE COURT OF CLAIMS.

BRIEF FOR APPELLANT.

STATEMENT.

Philip McAleer, a citizen of the United States and a resident of the District of Columbia, was employed as machinist in the Bureau of Engraving and Printing from about the year 1864 until February 16, 1876, when he was discharged without fault. He was again employed in the same bureau, this time as watchman, from November, 1876, until September 10, 1877, when he was for the second time discharged without fault. During the period of his first employment he received no more than the wages of a

machinist, and during the period of his second employment he received no more than the wages of a watchman (Record, p. 9).

As machinist it was his duty to take charge of and keep in repair the machines used in the Bureau of Engraving and Printing for cutting and trimming fractional currency (R., p. 8.) It was no part of his official duty to invent (R., p. 9). Among the machines in use during the period of his first employment was one known as the "pin machine," the office of which was to perforate the sheets whereon the fractional currency, and, subsequently, the internal-revenue stamps, were printed, so as to render such currency and stamps readily severable. One of the inconveniences incident to the operation of this machine was the formation of a burr or raised edge on the back of the perforated sheet, so as to interfere with its proper handling and packing. The work of the machine was, besides, liable to frequent interruption by reason of the breaking and displacement of the pins, and the cost of construction was heavy and the cost of reparation frequently recurring. To overcome these inconveniences McAleer set about the invention of a new machine for paper-perforating. The result is embodied in letters patent No. 170,873 (R., pp. 11, 12), which were taken out by McAleer on the 7th of December, 1877, with the financial aid of the Government (R., p. 9). The work of perfecting this invention had been performed "partly out of office hours in the office, partly out of office hours at his home, and partly at such hours as he found leisure during office hours in the office," and with Government material of trifling value (R., p. 9). As before stated, it was no part of McAleer's official duty to invent it.

Chief of the Bureau

Upon the suggestion of Mr. George B. McCartee, McAleer, on the 10th of January, 1876, executed the written license or assignment which is set forth in the findings of fact at page 9 of the Record, whereby he granted to the United States Treasury Department the right to make and use

machines containing the improvements claimed in said letters patent to the full end of the term for which said letters patent were granted.

"It was contemporaneously agreed by and between plaintiff and said McCartee that the assignment should hold good only during plaintiff's employment in said Bureau of Engraving and Printing, and no longer." (R., pp. 8, 9.)

McAleer, as has been shown, was finally discharged from the employment of the United States on the 10th day of September, 1877, without fault on his part, and his efforts to be restored have been fruitless. (R., p. 9.)

The Government began to use the paper-perforating machine, the invention of Mr. McAleer, in the year 1879. It was made with the aid of Government tools and machinery, and some unimportant modifications were deemed advisable to perfect its operation, and "these were made and the device perfected and applied by Government machinists using Government tools and material." (R., p. 9.)

The court below found as matter of fact that "of the perforating machines described in the specification accompanying letters patent 170,873, thirteen have been made for the use of the Bureau of Engraving and Printing, and that numbers of machines are now in use there, as are some "pin machines;" and, further, that—

"The differences in operation between the plaintiff's invention for paper-perforating and the machine known as the "pin machine," which it was designed to supersede, are in many respects in favor of the former. The speed of the former is greater than the latter; it will perforate more sheets *per diem;* the cost of constructing the knives is less than that of constructing the pins; the knife machine requires less repair than the pin machine. The pin machine does not punch entirely through the paper, but leaves a burr at the back, while the knife machine makes a clean cut, leaving no burr. This is the principal advantage of the knife machine and is a material one."

Mr. McAleer requested to have the machines in question stamped with his name as patentee, but was refused, for no assigned reason, by the chief of the Bureau of Engraving and Printing. (R., p. 8.)

Failing in his repeated efforts to be reinstated in the Government's employment in the Bureau of Engraving and Printing, Mr. McAleer filed his original petition in this cause on the first day of December, 1882, wherein he claims compensation for the Government's use not alone of the machine embraced in letters patent No. 170,873, but of other inventions covered by patents numbered, respectively, 178,790 (for "a new and useful improvement in needle boards for registering") and 186,262 (for "a new and useful improvement in paper-cutting machines").

Letters patent No. 170,873 were issued for a new and improved machine "for perforating and cutting paper," being "the combination, with two parallel shafts, of one or more disk knives adjustably secured to each shaft and having their peripheries broken by radial slots and adapted to overlap."

Patents numbered, respectively, 178,790 and 186,262, embraced devices for the improved operation of other machines used during the term of McAleer's service in the Bureau of Engraving and Printing.

Besides the inventions covered by the foregoing letters patent Mr. McAleer improved and perfected what was known as "the automatic machine" for cutting fractional currency, and afterwards the "Sheridan machine," employed for the same purpose by devices which he failed to perfect by letters patent, the unrestricted use of which resulted to the Government in the estimated saving of $131,460, and for which he received no compensation whatever. Claim for compensation on this account was likewise made in the original petition.

To this petition a traverse was filed on behalf of the Government December 12, 1882.

On the 27th of November, 1888, a second petition, similar in all respects to the first, was filed in order to avoid the possible consequences arising from the effluxion of time since the filing of the original petition upon McAleer's claim for compensation for the Government's continued use of his invention. (R., p. 1 *et seq.*)

April 28, 1889, the defendant filed the motion to dismiss as to the non-patented inventions which appears at page 7 of the Record.

In this state of the pleadings the cause was set down for hearing on the 26th day of February, 1890.

At the trial and without notice to the plaintiff or opportunity for timely objection the defendants filed the paper entitled Plea of lack of novelty of invention, which appears also at page 7 of the Record.

At the trial, in support of the plea last mentioned and against the objection of the appellant orally urged on his behalf by counsel, evidence was submitted of letters patent numbered, respectively, 164,920 (A. Judson's rotary paper-cutter, patented June 29, 1875, R., pp. 13, 14), 55336 (Merriam & Norton, cutting leather, patented June 5, 1866, R., pp. 15, 16, 17), and 41459 (A. Worden, cutting leather, patented February 2, 1864, R., pp. 18, 19), and of the inventions which they severally and respectively describe.

The cause having been argued and submitted, the Court of Claims thereafterwards, to wit, on the 31st day of March, ordered, adjudged, and decreed that the petition be dismissed; from which order and judgment the appellant, by his counsel, then and there prayed and was allowed an appeal. (R., p. 21.)

Thereafterwards, to wit, on the 27th day of June, 1893, Philip McAleer, the appellant, departed this life, and, letters of administration upon his estate having been granted to his widow, Mary Jane McAleer, by the Supreme Court of the District of Columbia, the said administratrix thereafterwards, to wit, on the 3d day of October, 1893, was admitted

by this honorable court, upon motion duly made in her behalf, to represent her husband, the said Philip McAleer, deceased, in the further prosecution of this appeal.

ASSIGNMENT OF ERRORS.

1. The Court of Claims erred in assimilating the facts of this case to the facts of the cases of Solomons and Davis (22 C. Cl. R., 342; 23 *ib.*, 329) and in holding that this case, therefore, falls within the rulings laid down in said last-mentioned cases.

2. The Court erred in refusing effect to the distinction between the right of absolute ownership of the machine and the right of user qualified by the condition of payment for such use.

3. The Court erred in coupling with the appellee's unquestionable right to the services of McAleer as a machinist or skilled mechanic another distinct and unauthorized claim to the product of his genius as an inventor.

4. The Court erred in deciding, contrary to the findings of fact, that the Government was equally entitled to the product of McAleer's inventive genius and to his time and to his best efforts as a machinist.

5. The Court erred in failing to discriminate between the Government's right to McAleer's mechanical skill and its right to the product of his inventive genius.

6. The Court erred in holding that the appropriation by McAleer of unemployed time in office hours, the use by him of Government material of trifling value, and his acceptance of the casual aid of other employés deprived him of the ownership, use, and enjoyment of the resulting product of his inventive genius, notwithstanding the Government's allowance to him of letters patent therefor, notwithstanding

its solicitation and acceptance of his license to use it, and notwithstanding its contemporaneous agreement to limit the term of such license to a period commensurate with the employment of McAleer in the Bureau of Engraving and Printing.

7. The Court erred in holding that the payment by the Government of the Patent Office fees for the obtension of letters patent 170,873 communicated to it any right of ownership, control, or enjoyment thereof as against the inventor, Philip McAleer, and his legal representatives, in presence of the undisputed fact that such patent was issued to Philip McAleer by the Government unreservedly and without restriction or limitation of any kind, whatever, and with full knowledge, on the part of its agents, of the circumstances of such issue and of the relations at the time and theretofore existing between the inventor, McAleer, and the Government.

8. The Court erred in allowing the plea of want of novelty of invention of the 26th of February, 1890, to be filed.

9. The Court erred in admitting in evidence letters patent numbered respectively 164,920, 55336, and 41459 and the inventions therein severally and respectively mentioned and described.

10. The Court erred in admitting any evidence whatever under and in support of the plea of want of novelty of invention.

11. The Court erred in refusing to strike out the plea of want of novelty of invention.

12. The Court erred in finding, as conclusion of law, that the petition be dismissed.

13. The Court erred in dismissing the petition.

BRIEF.

This appeal presents for review the adjudication by the Court below of Philip McAleer's claim to be compensated for the use by the United States Government since 1879 of his new and improved machine "for perforating and cutting paper," described in letters patent No. 170,873, granted to him on the 7th day of December, 1875. The material facts are undisputed and may be briefly summarized as follows: From 1864 until February 16, 1876, Philip McAleer was employed in the Bureau of Engraving and Printing as a machinist or skilled mechanic. As such he was paid, and, while he had general charge and management of paper-cutting and other machines used in the bureau and was required to keep them in repair, it was no part of his duty to invent improvements on or substitutes for the same or otherwise to exercise his skill as inventor. Without detracting in any way from the duties of his employment McAleer experimented during leisure hours, in office and out, with the use of Government tools and with Government material of trifling value and, with the casual aid of a fellow-workman, evolved, as the product of his own inventive genius, the knife cutting or paper-perforating machine in question.

Having perfected his invention, he yielded, as I have hinted, a ready assent to the Government's request for a license, as he had done previously in respect of other and scarcely less important patented inventions, only, this time, he stipulated, and the Government expressly agreed, concurrently with and in consideration of the execution of such license, that it should be operative and should continue only so long as Mr. McAleer should be employed in the Bureau of Engraving and Printing. Upon this point there is and can be no dispute. It is found by the Court as a fact (R., p. 8) and is conceded in the Court's opinion, at page 20 of the

Record. Whether, therefore, the paper-writing at page 9 be regarded, because of its form, as an assignment, or, by reason of its obvious intent, as a license, the legal effect of the admittedly competent collateral agreement must be held to limit its duration and operation to a period commensurate with the employment by the Government of the inventor and patentee (whether assignor or licensor) in the Bureau of Engraving and Printing.

On the 16th of February, 1876, McAleer was discharged from his employment as machinist, and on the 10th of September, 1877, he was discharged from his employment as watchman in the Bureau of Engraving and Printing—in both cases without fault of his own. His subsequent repeated applications for reinstatement were refused. In 1879 his paper-perforating machines were introduced, with some mechanical changes designed to facilitate their operation made "by Government machinists using Government tools and material" (R., p. 9), and they have been continuously used therein since to the number of thirteen and the almost total supercession of the older "pin machine."

Conceding, as counsel for the Government were compelled to do, the temporal limitation upon the duration and effect of the assignment or license created by the contemporaneous agreement between the Government and McAleer, above recited, the defense below proceeded, originally, upon the theory, to use the language of counsel in their brief, that "the Government was entitled to all that McAleer knew of machines, to his brain and brawn," and this "whether" the invention for whose use he claimed compensation was the result of "mechanical or inventive" skill. To this position they were manifestly driven by the circumstances in which the Government had placed itself, and, notwithstanding the *petitio principii* involved, they were compelled to say: "True it is that the Government has taken out a license to use this man's invention and has expressly limited itself in the enjoyment of such use; and

equally true it is that the Government has, by its own act in discharging the man, deliberately terminated its right to the enjoyment of such use, but, notwithstanding all that, the Government is using and will continue to use it because the man was servant to the Government and, being such, owed it his brain and brawn absolutely, notwithstanding his employment was that of a mechanic merely, not that of an inventor, and notwithstanding the Government by its own acts (in, first, issuing to him a patent, and, secondly, in accepting from him a license to use it) has repeatedly admitted the man's right to the ownership, control, and enjoyment of his invention and its fruits."

Adopting this theory, the Court, despite its finding of fact, likened the case at bar to the cases of Solomons and Davis and held, substantially, as in those cases, that the inventive no less than the mechanical skill of McAleer belonged to the Government under the terms of his employment.

This conclusion of the Court, it is respectfully submitted, involved one of two errors, equally grave, as—

1. The error of ignoring the legal effect of its finding that it was no part of McAleer's official duty to invent, or—

2. The error of confounding the right of an employer who has contracted for the results of his employé's inventive skill with the right of an employer who has not so contracted.

The character of McAleer's employment is clearly established by the record. It was that of a machinist and general, not that of an inventor and, consequently, special. He was paid to care for machinery in conformity with the general schedule of wages already established in the bureau, not to improve upon machinery, certainly not to supersede it by new inventions according to the terms of a special

contract of hiring. In this connection let us consider the principal question in the case and the only one which seems to have determined the judgment of the Court below.

I.

What is the legal limitation upon the employer's right to the product of his employé's inventive skill?

It is needless to premise, in view of the recent iteration of the fact by this Court in the case of Solomons, that, in the relation under discussion, there is no difference between the Government and any other employer.

Solomons *vs.* United States, 137 U. S., 342.

This case has been decided here since judgment was rendered in the principal case by the Court below, and its divergence from the latter will be shown presently.

The question above propounded is clearly answered by Mr. Robertson in his work on Patents at section 414 as follows:

"An employé may agree to devote his inventive faculties to the service of his employers and thus confer upon them all the fruits of his inventive skill during the period covered by his contract; *but an agreement of this character must be unequivocal and cannot be implied from a general bargain for his time and skill and labor, nor is it proved conclusively by the fact that the experiments resulting in the invention were made at the request and expense of the employers.*"

In deciding the case of Hapgood *vs.* Hewitt at circuit, Gresham, J., used the following language:

"Persons are not deprived of their right to their inventions while in the service of others *unless they have been hired and paid to exercise their inventive faculties for their employers.* A contract by which one person agrees to pay a sum of money for the time, labor, and skill of another for a given period gives the employer no right to an assignment of a

patent that is issued to his employé for an invention made during the period of his employment.

11 Bissell, 184.

See, also,

Hall *vs.* Johnson, 23 O. G., 24.

Green *vs.* Willard Improved Barrel Co., 1 Mo. App., 202.

In Damon *vs.* Eastwick, 14 Fed. Rep., 40, it was held that an employé of a company was entitled to a patent and not the company, although, being a chemist, the employé made his discovery while experimenting at the request of the company.

The principle on which the employer's right is founded finds expression in Dueber Watch Case Manufacturing Co. *vs.* Dalzell, 38 Fed. Rep., 597, where the court held that Dalzell accomplished what he was expected to accomplish and *what he was paid to do;* in other words, that there *was a contract* between the parties that the employer should have title to the employé's inventions.

To the same effect is Bemsley *vs.* Northwestern Horse Nail Co., 26 Fed. R., 250; Joliet M'f'g Co. *vs.* Dice, 105 Ills., 649.

Burr *vs.* De La Vergne, 102 N. Y., 415, exhibits the doctrine as applied to the analogous claim by one partner to the invention of his copartner. Says Andrews, J.:

"The proposition asserted in behalf of the defendant, that one partner acquires no right or interest, legal or equitable, in an invention by his copartner during the existence of the partnership by reason merely of the copartnership relation, although the invention relates to an improvement in machinery to facilitate the business carried on by the firm, and *although the partner making the invention uses copartnership means in his experiments, and is also bound by the copartnership articles to devote his whole time and attention to the firm business, is a doctrine supported by authority and consonant with reason.*"

In Belcher *vs.* Whittemore, 134 Massachusetts, 330, one partner with the knowledge of and without objection by the other partners perfected his inventions with the time, labor, and material of the copartnership. Held, that the latter had no claim to or interest in the resulting patents.

This Court had occasion to pass upon this question in the case of Hapgood *vs.* Hewitt, mentioned above, and, through Mr. Justice Brewer, reaffirmed the doctrine, as previously laid down by Judge Gresham, that where the employé is not *expressly* required by his contract of employment to exercise his inventive faculties for the benefit of his employer the latter has no title to his inventions or to any patent that he might obtain for them.

119 U. S., 233.

This case, it is submitted, fully sustains contention and is conclusive of McAleer's tit tion described in letters patent No. 170,87 tion is, that without an express contract for the employé's inventive skill, the employer its ownership, and that a general employn nary wages gives a right to the time, labor, other, but does not invest the employer wit the inventive faculties of the employé.

It would seem to be clear, therefore, in t authorities and of reason, that the main que should be resolved in favor of the appellant.

II.

AS TO ALLEGED ADVERSE AUTHORITIES.

This case is essentially different from that of Solomons *vs.* United States, 137 U. S., 342; 21 C. Cl., 479, upon which the Court of Claims seemingly relied as an authority in this case.

1. It was the duty of Spencer M. Clark to invent or devise a stamp for the use of the Government.

a. In the statement of facts in the case of Solomons *vs.* United States, 137 U. S., pp. 342, 343, we have the following:

"I. In the latter part of 1867 or early part of 1868, while the subject of revising the methods for collecting internal revenue was being considered by the Committee on Ways and Means of the House of Representatives, a subcommittee was given special charge of the tax on whisky and distilled spirits. A room was assigned by the Secretary of the Treasury in the Treasury building to this subcommittee, which immediately proceeded to hold official consultations with the Secretary of the Treasury and Commissioner and Deputy Commissioner of Internal Revenue. Into these consultations Spencer M. Clark, the chief of the Bureau of Engraving and Printing, was called officially, *and to him was assigned the duty of devising a stamp*, and it was early determined and understood by all, including Mr. Clark, that the scheme would proceed upon the assumption that the best stamp *which he could devise* would be adopted and made part of the revised scheme. In these consultations it was mutually understood that Mr. Clark was acting in his official capacity as chief of the Bureau of Engraving and Printing, and it was not understood or intimated that the stamp which he was to devise would be patented or become his personal property."

It is clear that Mr. Clark accepted and undertook to perform the duty assigned to him to devise a stamp for the benefit and use of the Government, and the devising of such stamp became thereby within the scope of his official employment.

b. The case of McAleer is different. He was employed not as an inventor, but as a skilled mechanic. It was no part of his duty to invent. He was not employed to devise the machines he invented.

Under findings of fact, page 9 of the Record in this case, the following is found:

"It was no part of plaintiff's official duty to make the said invention. In making it he used Government material, but this was of trifling value; he made it partly out of office hours in the office, partly out of office hours at his home, and partly at such hours as he found leisure during office hours in the office."

And Davis, J., delivering the opinion of the Court of Claims in this case, said:

"True, it was not part of his duty to invent, but it was his duty to do anything found necessary to secure from the machines under his charge most efficient service, to make all repairs to the machines, and to suggest and apply any improvements which might occur to him not as an inventor, but as a skilled mechanic."

2. In the Solomons case Spencer M. Clark expressly dedicated the use of his invention to the Government.

a. In the findings in that case (137 U. S., 344, 345) appears this statement:

"Before the final adoption of the stamp by the Commissioner of Internal Revenue he (Mr. Clark) stated to him *that the design was his own, but that he should make no charge to the Government therefor.*"

This stamp was finally adopted immediately after the enactment of the act of 20th July, 1868, and before Mr. Clark made application for a patent. On December 6, 1869, Mr. Clark assigned his right to Solomons. *It is observed that this was about one and one-half years after the dedication of the use of the patent to the Government.* Solomons was bound by any equitable rights to the invention or its use existing at the time of the assignment to him.

b. In the case of McAleer there was no dedication, but an express license to the Government for a valuable consideration, as clearly appears in the findings of fact.

The Court below, in attempting to bring the principal case within the rulings previously made in the case of Solomons, was driven to the necessity of enlarging the scope of mere mechanical skill so as to embrace the superior qualification of invention. Naturally, the attempt was embarrassing. The Court was compelled to proceed upon the admission that McAleer's inventive skill had not been contracted for, whereas the inventive faculties of Clark, the assignor of Solomons, had been expressly contracted for. Here was a most radical distinction of fact between the two cases and one which makes it impossible to apply to the one the principles which are applicable to the other. A feeble effort is made to surmount the difficulty by shifting the ground of the Government's pretension from a right to McAleer's inventive faculties to a right to his time and to the result of his labor with Government tools and materials. Although the position, thus assumed, involves a manifest and irreconcilable conflict with the facts and resulting principles of the Solomons case, the Court below, nevertheless, naively concludes its partial summary as follows: "The case therefore falls within the rule laid down in Solomons' case (*supra*)."

The difficulty which the Court encountered in the effort to evolve from the record facts in aid of its assumption of identity between the principal case and that of Solomons is well illustrated in the course of its opinion at page 20. I quote as follows, italicizing for my own purpose:

"Plaintiff made his invention while caring for machines similar to his own. *True, it was not part of his duty to invent.*"

In the Solomons case Clark, the inventor, was chief of the Bureau of Engraving and Printing. An emergency had

arisen for using a cancelling stamp. So grave was the occasion for it that a congressional committee was entrusted with the duty of securing a proper device for the purpose. Clark, who was an inventor, was admitted to the sessions of this committee with a view to aid its deliberations. Superadded to the duties of chief was the duty of devising a suitable stamp for cancelling. He did in fact devise such a stamp, which was self-registering, submitted it to the committee, and, on the adoption thereof, in the most public and formal manner, delivered it over in full and unreserved right of property and use perpetually to the United States. This was done, too, before the patent had been issued to his assignee, Solomons. It was Clark's duty, *pro hac vice*, to invent. The Court proceeds: "But it was his (Mr. McAleer's) duty to do anything found necessary to secure from the machines under his charge most efficient service; to make all repairs to the machines." Thus far we have the enumeration of the ordinary duties of any skilled laborer, such as, for instance, the engineer on a steamboat or locomotive or in a factory, whose employment involves a general contract for the use of his "time, labor, and skill." It is doubtful, however, whether the concluding part of the paragraph is equally satisfactory as an enumeration of such ordinary duties. It is as follows: "And to *suggest* and apply any improvements which might occur to him, *not as an inventor*, but as a skilled mechanic." The Court is cautious here to use the word "suggest" and not "make," but does not attempt to indicate the distinction which ought to be taken between the "improvement which might occur to him" as an inventor and the improvement which might occur to him "as a skilled mechanic," if any such distinction does, in fact, exist.

The opinion proceeds as follows: "The Government had a right to his time and to his best efforts as a machinist." This is cheerfully conceded. "While so employed he devised an improvement to be applied to machines then under

his charge." This, it is submitted, is not strictly correct. Reference to the findings of fact at page 8 of the Record discloses that McAleer's invention was no improvement wrought upon the frame-work of the existing pin machine, as would seem to be implied in the Court's opinion, but a separate machine designed to supersede and which has actually superseded the pin machine in the Bureau of Engraving and Printing.

"Admitting," continues the Court, "that the improvement was the product of inventive genius as distinguished from mechanical skill, still the work was largely done in office hours, when plaintiff was receiving pay." It is not to be supposed for a moment that the learned and estimable judge who penned this sentence realized the apparent reflection upon McAleer's official integrity which it involves; otherwise he would have hastened to qualify the statement with the fact, as found at page 9 of the Record, that the invention was made "partly," not "largely," "at such hours as he *found leisure* during office hours in the office." Thus qualified (as it needs must be in the existing state of the record), the statement is consistent with the nicest conformity by McAleer with the duties of his employment, and furnishes no shadow of ground for the Government's claim for work done as in commutation of time filched from its employment.

McAleer's leisure during office hours belonged to him no less implicitly than his time before and after office hours and could be used by him for any purpose not inconsistent with his employer's interests. It is not pretended that the appropriation of this leisure time to the perfecting of his invention trenched in any, the minutest, degree upon the performance of his official duties. Neither is it—nor, indeed, can it be—shown what part of the invention was made during leisure in office hours so as to determine, upon the Court's theory, what part shall be set aside for the Government as distinct and separable from the residue which, in

any case, must have belonged to McAleer, since such residue was made wholly out of office hours.

The Court adds "that it was done entirely with Government tools and machinery and the Government paid for the patent." This is true, and the aid thus furnished by the Government formed part of the consideration for the assignment, or instrument in the nature of assignment, at page 9 of the Record. If the Government paid for the patent, the facts demonstrate that it did so with the view of benefiting by the license to use it. The very hand that paid for the patent issued it to the inventor. The money paid from the Treasury for the patent was at the same instant covered into the Treasury to the credit of the party paying it, and almost at the moment of issuing the patent the party paying for it contracted with the inventor for permission to use it, tendering as a consideration therefor, the retention of the inventor, concurrently, in its employment.

The legal effect of the Government's action in this regard has been already sufficiently discussed in the light of authority.

Continuing, the Court says:

"The device was not used until 1879, when the plaintiff was no longer in the service of the bureau, and before it worked efficiently the improvement required certain mechanical changes." What these changes are is nowhere indicated, neither is their relative importance so much as hinted at. It is clear, however, that they were powerless to affect the integrity of the patent, and it is not claimed that they altered the nature of the invention.

It is still more difficult to perceive wherein they could have affected McAleer's ownership of the latter. Certainly they could not have improved the Government's claim, since, if any effect is to be accorded to these "changes," it must be to award ownership of the machines, *pro tanto*, to those who made them, unless, indeed, the Court meant to

forestall this contention by what it says in conclusion: "These were made and the device perfected and applied by Government machinists using Government tools and material."

Either McAleer's patent is valid or it is not valid; if valid, the Government should pay for its use; if invalid, the Government is clearly estopped to set up such invalidity to defeat obligations resulting from its own act in issuing and accepting the license to use it.

The case of Davis *vs.* United States, 23 C. Cl., 329, relied upon also as an authority in the decision of this case in the Court of Claims, is to be distinguished from this case. It is similar to the case of Solomons.

Mr. Davis was directed by his superior officers "to make experiments and to get up devices for a gas check or vent-closing primer to be used on breech-loading cannon." He was told what to do, but not how to do it. He was employed for the specific purpose of doing what in fact he did accomplish in making his invention. This was strictly in the line of his official duty, and was so considered by him and his superior officers. The patent was not taken out for his benefit, but to protect the Government. He "objected to taking out a patent because of the expense thereof." He was told by his superior officers that if he would take out the patent sufficient money to pay expenses would be paid to him by the Government, or that a royalty sufficient to pay his expenses would be given him. He took out the patent and received the sum of money agreed upon "on the express and mutual understanding that it was paid to him 'to reimburse him for the expense incurred in securing the patents and as a royalty for the right to use the patent.'"

McAleer was not employed to invent. It was not his official duty to invent. He did not accept a royalty in full satisfaction of all claims. The Government solicited a license for the use of his invention, and thereby in the most unequivocal manner admitted his ownership thereof.

III.

What is the obligation imposed upon the Government by its contract for the use of McAleer's invention?

In form the instrument at page 9 of the Record is an assignment. In substance, and as controlled by the contemporaneous agreement with the Government's agent, it is a license revocable by the act of the Government in discharging McAleer from its employment.

The authority of the Secretary of the Treasury, acting through the chief of the Bureau of Engraving and Printing, to bind the Government to the express contract which is evidenced by the assignment and contemporaneous agreement of Mr. McCartee will, it is presumed, not be questioned by this Court in view of its decision of Burns *vs.* United States, 12 Wall., 251.

The court below expressly finds the existence of such a contract (R., p. 8) whereby the absolute terms of the assignment were so qualified "that the free use" (of the invention) "should only last while plaintiff was retained as an employé in the Bureau of Engraving and Printing." (R., p. 20.)

By the terms of this contract the United States became the assignee of the letters patent No. 170,873 and of the right to use the invention therein described, with the important qualification, established by express contemporaneous agreement, that such use should be limited to the concurrent employment of McAleer in the Bureau of Engraving and Printing. Thus the power of terminating the contract resided with the Government, but the exercise of that power in no sense justified it in using the invention without compensation to the inventor. In other words, the Government's refusal to compensate McAleer in the form contemplated by the agreement, to wit, by continuing him in its employment, does not absolve it from the obligation

to satisfy him in some other form—*e. g.*, in money—for the use of such invention after it has discharged him from its employment. The implied contract which is thus established is no less obligatory than the express agreement which it supersedes.

This doctrine was recognized by the Court below in deciding the Burns case as follows: "Where a contract for the use of an invention provides that it may be determined by notice from the patentee, *the Government can only determine it by discontinuing the use of the invention. Refusal to pay the royalty and continuing to use the invention does not determine the contract to pay for its use.*"

In the case at bar the right to determine the contract expressly resided with the Government and was exercised when it dismissed the inventor from its employment, on the tenth day of September, 1877. Its use of the invention after that date, however, did not, in the language of the Court of Claims just recited, "determine the contract to pay for its use." The latter was implied from the antecedently expressed contract, by the terms of which the Government was licensed to use the invention only so long as it should retain the inventor and patentee in its service. The subsequent user was clearly upon the implied agreement to pay a reasonable compensation for its use.

The jurisdiction of the Court of Claims to enforce such a contract is too well established to admit of question. It is, in fact, original and exclusive as respects the Government.

Morse Arms M'f'g Co. *vs.* U. S., 16 C. C., 310.
McKeever's case, 18 *ib.*, 757.

The appellant was not specially employed to make experiments or improve the machinery under his control. He was simply to "look after," to care for it. In other words, it was no part of his duty to make this invention. His invention, therefore, stands in the same relation to the United

States Government that the Sibley tent is declared to have done by this Court when it says (12 Wall., 246):

"An officer in the military service, not specially employed to make experiments, may devise improvements in arms, tents, and war material, and will be entitled to letters patent therefor. The Government cannot after the patent be issued make use of the improvement without license or compensation."

It is true McAleer gave a license, but the operation of that instrument was determined by the act of the licensee. Its liability for the use of the patented article, however, could only have been determined, as we have shown, by ceasing to use it.

Burns' Case, 12 Wall., 246.

The subsequent use, therefore, of McAleer's invention by the Government can only be made to consist with an implied promise on the part of the latter to pay to the inventor what that use is reasonably worth; otherwise the act of the Government would result in the appropriation of the claimant's property without just compensation to him, and consequently work a defeasance of the right guaranteed to him by the Constitution.

Palmer *vs.* United States, 20 Court of Claims, 432.
McKeever *vs.* United States, *supra.*

The Court below has well said in the case of Mason *vs.* United States, 14 Court of Claims, 70:

"An implied promise is created by law as well as by natural justice that the owner of property shall receive its value from the party who may have appropriated it for his use and benefit. This is as much the case when the Government enjoys the property as in the instance of a private individual."

The claim was made below by adverse counsel, in brief and argument, that the contract between the Government

and McAleer is express and entire; that claimant must place the defendant in *statu quo* by returning to the department the material used in his experiments, the patent fees advanced by the Government, and his salary up to the time of his discharge before he can maintain his suit, and that the present proceeding is therefore misjudged.

Extraordinary as such contention may appear, it is possible that it may be made again, and would, therefore, seem to demand consideration.

It will be observed that there are two separate elements in this contract, each independent of and supported by its own consideration, namely, the *right to use* the invention and the *use of* the invention.

Thus it is common practice for inventors to sell the right to use their inventions and to retain a royalty upon every article turned out. The right to use the invention is independent of its actual use and is by itself a complete executed contract. The inventor has received the consideration and the purchaser the right to use. He must, however, pay the royalty whenever he puts it into operation. But suppose he refuses to pay the royalty reserved. It cannot be seriously contended that the inventor must return the consideration received for the option to use the machine in order that he may recover the value of the work done. On the other hand, as we shall hereafter show, the purchaser having violated the condition whereon the use of the machine was dependent, the inventor is not bound by the terms of the expressed contract, but may sue in *indebitatus assumpsit* as for a royalty on the value of the work done.

This is precisely the claimant's relation to the defendant. Letters patent No. 170,873 were issued December 7, 1875, whereas the assignment to the defendant was not made until January 17, 1876. Thus the patent fee was advanced some time before the contract was executed, and, while it was a past consideration, it was the motive that induced the claimant to assign *the right to use* his invention to the de-

partment, and is properly described in the assignment as "other valuable considerations to me *paid* by the said department."

In other words, the department purchased the right to use the invention; not, however, indefinitely nor without condition. It had received the full equivalent for the money advanced by it in the acquisition of this right. Thus, that part of the contract was completely executed. Upon this point the court in *Perkins* vs. *Hart*, 11 Wheat., 251, holds as follows:

"Where the agreement embraces a number of distinct subjects which admit of being separately executed and closed, it must be taken distributively, each subject being considered as forming a matter of separate agreement after it is closed."

For instance: suppose defendant had used claimant's machine from the execution of the agreement up to the time of his discharge. At the end of each month when claimant received his pay the agreement would have been closed to that time, and no subsequent act on either side could have affected this settlement.

The contract, by its very nature, depending, as it did, on the defendant's employment of the claimant, demanded that at the end of each period for which claimant received his pay rests should be made, and under the authority of *Perkins* vs. *Hart*, *supra*, these rests must have been taken as an execution of the contract, *toties quoties*, and could not have been unsettled by the violation of any subsequent and unexecuted part of the agreement.

But defendant's counsel below urged that "Claimant himself does not say that his said assignment was based upon a written statement that he should be so employed." This contention is futile. It was not necessary to mention in the assignment that the use was conditioned upon some other

agreed consideration. The law is correctly stated in the syllabus to *Allen* vs. *Jaquish*, 21 Wend., 628:

"It is not indispensable to the validity of a contract that the cause moving to the act should be mentioned as the consideration; it is enough if from the whole instrument it be manifest that there is a consideration."

The agreement with reference to continuance of work so long as defendant used plaintiff's invention was the motive that led to the assignment and was part of the same transaction, although not in the same instrument.

This brings us to the second element in the contract, viz., the actual use by the department of the invention in consideration of and concurrently with which the claimant was to have the benefit of continuous employment. This was in the nature of royalty—*i. e.*, of compensation to him for the work done by his invention. Just here it is well to notice that the wage he received was not the real consideration, because his pay was to be no greater during the use of his invention than it had been prior to its assignment, while his personal labor would be no less. It was, in fact, *the benefit and security of continuous employment.*

Defendant's counsel below further objected that the Government derived no advantage from this assignment up to the time of claimant's discharge, because it did not use the machine. The Government, however, *had the right to use the machine*, and whether it exercised that right to use or not during his employment rested solely with the Government, and cannot affect the contract. Claimant was ready and willing to allow it to use the machine so long as he was employed. The actual use depended wholly upon the volition of the Government.

The Government, however, did use claimant's machines after his discharge, and continues to use them, and that without giving him the employment which was the express condition of their use, although claimant has repeatedly

applied for reinstatement under the terms of the contract. (See Record, p. 9.)

The right to use the machines resides with the Government by virtue of the assignment, but the condition precedent to its exercise of that right has been persistently violated by it. The Government, alone, has violated the contract. It has accepted the work done by the machines, but it refuses to give claimant the stipulated consideration—*i. e.*, continuous employment during such use. And, as pertinently asked by the court in the case of *Rodemer* vs. *Hazelhurst*, 9 Gill, 288:

"If one party rescinds the contract, how can it be said to subsist as regards the other? The party thus injured by the abandonment of the contract is not bound to resort to his special action, but may rely upon the implied legal liability of the other to compensate the services rendered, and may claim the adjustment *in indebitatus assumpsit* upon the basis of the work which he has actually performed. To defeat this the defendant cannot be allowed to set up the special contract, which he was the first to violate and abandon."

Government's contention below, therefore, that the action must be upon the special agreement, is, we submit, erroneous. In fact, a careful review of the authorities, where the defendant is the party in default, shows that only in Kentucky can such a class of cases be found, and a Kentucky case is the only one which was cited by adverse counsel to support his proposition. This difference is noted in 2 Smith's Leading Cases, 49, where the author says: "It is, as a general rule, true that where there is a special contract plaintiff cannot sue in general assumpsit, but this does not apply where the defendant is in default." Referring to—

Jewell vs. *Schroppel*, 4 Cowen., 564.
Allen vs. *Jaquish*, 21 Wendell, 629.
Myrick vs. *Slason*, 19 Vt., 122.
Merwin vs. *Perkins*, 9 Pick., 298.

And then the author says: but see—

Rankin vs. *Darnell*, 11 B. Monroe, 30.

(Where the position contended for by the defendant is maintained.)

If further adjudications on plaintiff's right to consider the special agreement abrogated by the act of the defendant is needed, we respectfully refer the Court to the following cases:

In *Darby* vs. *Johnson*, 21 Vt., 17, defendant, under a written contract, ordered plaintiff to cease work. The court held that defendant had put an end to the contract, and could not prevent a recovery on a *quantum meruit* for actual work done.

In *Leipel* vs. *Ins. Co.*, 84 Pa. St., 47, after some money transactions on both sides, plaintiff became an agent of the defendant for two years. Soon after the execution of the agreement defendant announced its determination to quit the insurance business. Held, in suit by agent to recover premiums, that the act of defendant had amounted to a rescission of the contract and the tendering back of the money paid by the defendant was not a condition precedent to a right of recovery in general assumpsit.

It cannot alter claimant's position that the agreement is under seal, for in *Welsh* vs. *Enfield*, 5 Gilman, 298, the court held: Where the defendant is in default plaintiff may consider the contract abandoned, whether under seal or not, and sue on a *quantum meruit*.

See also cases collected in 2 Smith's Leading Cases, 49.

Defendant may contend that in all these cases the suit was on a *quantum meruit* for work done prior to the breach by the defendant, while in the case at bar the suit is for work done subsequently. But the right is the same, whether the breach occurred before or after the performance.

SUTHERLAND, *J.*, said in *Jewell* vs. *Schroeppel, supra:*

"I consider it well settled that if there be a special agreement to do a piece of work, and the work be done, but not pursuant to such agreement, either in point of time or any other respect, the party can recover upon the common counts. Where the terms of a special agreement are performed a duty is raised for which a general *indebitatus assumpsit* will lie."

The Court further held that where the work was performed after the time stipulated, with the knowledge of the defendant, that "the law imputes a promise on his part to pay what the labor was reasonably worth."

So in *Allen* vs. *Jacquish, supra*, the Court says:

"Where the agreement under seal is departed from in the mode or time of its performance and yet the performance is accepted as satisfactory, the acts of the parties shall be considered as evincing an executed agreement to rescind the covenant. The person sought to be charged having acceded to the departure, and equity, conscience, and good faith, therefore, demanding that he should make compensation, the law raises an implied promise to pay."

See *Debois* vs *Canal Co.*, 4 Wend., 285.

The Court will observe that defendant's use of claimant's invention was precisely the same as so much labor performed by claimant individually; and when it used the machines, after the knowledge of a violation on its part of the express agreement, it was with the implied promise to pay claimant the reasonable value of the work done; and the measure of compensation is not controlled by the terms of the written contract.

Darby vs. *Johnson*, 21 Vt., 17.

Rodemere vs. *Hazelhurst*, 9 Gill., 288.

And the cases collected (page 44), 2 Smith's Leading Cases.

As before stated, the Court will readily see that the use of claimant's invention and his own personal labor was of much greater pecuniary value than his salary from the department. So that the motive and real inducement for the assignment was the *benefit of continuous employment* so long as the Government used his machine. Manifestly the amount of that salary now could not compensate him for the benefits he would have derived from continuous employment during the time defendant was using his invention. Besides, the cases clearly show that his just measure of compensation is a royalty on the real value of all work done and accepted by the defendant which has not already been settled for, and the Court below has already, in the McKeever case, 18 C. C., 757, established the principles which should govern in determining the right to and amount of this royalty.

IV.

AS TO THE PLEA OF LACK OF NOVELTY OF INVENTION.

This plea was introduced at the trial table below along with models of the inventions described in the three letters patent mentioned in it. It is bad in substance, and should have been rejected.

True it is that the Court below refrained from basing any part of its judgment on this plea; nevertheless it was considered with apparent approval, and may and doubtless will be urged upon the attention of this Court.

The defense sought to be made by this plea is not open to the Government in this case. The Government's right to the use of McAleer's invention is based, admittedly, upon his license to use it. The Government's relation to him is therefore that of licensee. The Government is besides the grantor of the very patent which it seeks by this plea to repudiate. Whether assignee or licensee the Government is

alike estopped to relieve itself of responsibility by assaulting the integrity of the patent. Still less is it in a position as grantor of the patent to be heard in impeachment for like interested motives of its own act. This is true upon authority and, necessarily so, upon principle.

It will not do to assert that the license is no longer operative because the Government has, by its own act in discharging McAleer, broken the condition whereon it was granted, and, for that reason, claim immunity from liability for the continued use of the invention. To concede this would be to accord to the Government the power to avail itself of its own wrong—a power denied to it not less than to the individual citizens who compose it.

In point of fact, the license continues by the acquiesence of McAleer, notwithstanding the breach by the Government of the condition whereon it was granted. The only change wrought by such breach of the condition is in the form of the compensation to be awarded to the representative of the inventor. It cannot be employment; wherefore it must be money upon the measure of *quantum meruit*. It is to be observed, too, that no pretense is made that McAleer had ever been notified of the Government's purpose to decline payment for the use of his invention because of its alleged want of novelty before the filing of this plea, or that the alleged discovery had even in fact been made before the ingenuity of counsel developed it at the trial table of the Court below.

Again, it is to be noted that the plea is urged not on behalf of the owners of the alleged adverse patents nor in a proceeding to which they are parties or to which either of them is a party, but solely in avoidance of a contractual obligation by a defendant which has benefited wholly by the use of the invention which it seeks to impugn.

The general rule on the subject, as announced by this Court in Marsh *vs.* Nichols, 128 U. S., 612, is that a patent of the United States, whether for land or for an invention, can

be attacked for defects not apparent on its face only by regular proceedings instituted for that purpose and is not open to collateral attack except where specially provided by statute.

No fraud is imputed to McAleer in the obtension of his patent, neither is it sought to affect him with notice of the alleged want of novelty of his invention. It is submitted, therefore, that the following authorities conclusively establish the invalidity of the plea in question.

It was held in the case of Norton *vs.* Brooks, 7 H. and N., 499 (Pollock, C. B., and Bramwell, B., Channell, B., and Wilde, B., concurring), that—

"If a patentee, in consideration of a royalty, grants to another a license to use the patent invention, and the latter uses it, he cannot plead, as a defense to an action for the royalty, that the invention was not new or that the patentee was not the first inventor."

In Crossley *vs.* Dixon, 10 H. of L. Cas., 293 (March, 1863), D. had verbally agreed with C. to be supplied by C. with machines constructed according to patents of which C was the owner and to pay royalties for the use of such machines and for the use of any machines supplied to him by anybody else which embodied the principle of C.'s patents. D. was afterward supplied by S. with machines, on the use of which C. claimed a royalty as embodying the principle in his patents, and he also charged D with an infringement of the patents. D. defended himself against the claim, denying, first, that the agreement amounted to a license; secondly, that the patents were valid; thirdly, that there had been any infringement.

It was held that the verbal agreement must be treated as a license; that D., while he continued to act under that license, could not dispute the validity of the patents.

Lord Chancellor (Westbury):

"I think that there must have been some misapprehension as to the facts of the case when it was before the lords justices, because I find from the judgment of those learned judges that one of them says that he does not mean to give any opinion as to the validity or the invalidity of the appellants' patent rights—*a question, in fact, which could not by possibility arise and which the learned judge would have seen in a moment could not arise if he had been aware that the original agreement in respect of the first set of machines and in respect of the user of the invention embodied therein was still in actual continuance as between the appellants and the respondent*—and I find the other learned judge speaking of the plaintiff's being at liberty to bring an action for infringement—an observation that could not have been made if the learned judge had been equally aware of the same fact, because it is palpable that so long as the agreement made by the appellants with the respondent—that the respondent shall be at liberty to use the invention, paying certain royalties—continued there is no limit to the respondent's user, and it would, therefore, have been impossible for them to bring an action for an infringement against the respondent. There could be no infringement pending the license. The license continues, and the extent of the remedy, therefore, can only be that which is sought by this bill, namely, an account of the royalties claimed by the appellants in respect of every machine used by the respondent, whencesoever derived, which embodies in it these inventions, in respect of which the agreement to pay royalty was originally made between the appellants and the respondent and is now subsisting."

In Hall *vs.* Conder, 2 C. B. N. S., 22, pages 41, 42, Williams, J., delivering the opinion of the court, said:

"The plaintiff professed to have *invented* a method for the prevention of boiler explosions. It is not alleged he was guilty of any fraud. He must, therefore, have been an inventor, for if he was not he must have known it and would have been guilty of fraud in pretending to have invented. Whether he was the true and first inventor within the meaning of the statute of James is another question. The first material allegation in the plea is that the alleged invention was wholly worthless and of no utility to the public. Now, that was a matter as much within the knowledge of the

defendants as of the plaintiff. The next allegation, viz., that it was not new as to the public use thereof in England, and that the plaintiff was not the first and true inventor, was also a matter as much within the knowledge of the defendants as of the plaintiff. They had the same means of inquiring into the fact and of learning whether it had been in use or the invention had been previously made known in England. Why, therefore, should we assume that the plaintiff meant to assert that the patent was indefeasible, and that the defendants purchased on that understanding rather than that, each knowing what the invention was and having equal means of ascertaining its value, they contracted for the patent, such as it was, each acting on his own judgment? We think that the latter was the true nature of the contract, and there was no warranty, express or implied. * * * Here the plaintiff was capable of fulfilling all that he contracted to do. He had already done it in equity. The defendants might have had all that they contracted to receive and were therefore bound to pay."

Writ of error was brought in this case and the cause came on for argument in the exchequer chamber before Lord Campbell, C. J.; Lord Chief Baron Pollock; Coleridge, J.; Erle, J.; Crompton, J., and Bramwell, B.

Lord Campbell after the argument said: "We are all of the opinion that the judgment of the court of common pleas was right and should be affirmed."

Lawes *vs.* Purser, 6 E. & B., 930, was an action for a sum agreed to be paid to the plaintiff for each ton of an article manufactured and sold by the defendants by the permission of the plaintiff to them given at their request, the plaintiff having letters patent for the sole manufacture of that article.

Plea, that the letters patent were void, and the defendants had a right to make and sell the article without plaintiff's permission. On demurrer—

Held, a bad plea, for the invention having actually been used by the permission of the plaintiff, and there being no allegation of fraud or of anything equivalent to eviction,

the defendants were not at liberty to set up as a defense that the patent was void.

Lord Campbell, C. J.: The declaration in this case is clearly sufficient. It shows a contract executed, from the execution of which the defendant has derived benefit. What then is the plea? Simply that the patent was void, and if it could be shown that the patent was, for any reason whatever, invalid, the plea and every allegation in it would be proved. Then there having been such an agreement as stated in the declaration, and permission to use the invention having been enjoyed under it, can it be permitted to the defendants, after such a contract and such acquiescence on their part in the plaintiff's claim, and such enjoyment by them of the invention, to say that they will not pay the stipulated price because the patent is void, and so to force the plaintiff to try his right to the patent in this action at great disadvantage? I am of opinion that the defendants, not denying that they have used the invention under the agreement, cannot set up this defense. This plea would be proved though the plaintiff had really made a useful invention and had taken out a patent for it, treated by every one as valid and supposed by all parties to be so, *if at the time of the trial it were discovered for the first time that there had been some previous user of the invention or some part, though utterly unknown both to the plaintiff and defendants. It would be monstrous if the defendants after such an agreement acted upon could, on this ground, refuse payment.* No fraud is alleged. No renunciation of the permission warning the plaintiff that the defendants meant to claim to use the invention in their own right is averred. I think, therefore, it would be contrary to all principle to hold this plea good.

Coleridge, J.: "There is no doubt in my mind as to the principle that he who has in fact enjoyed a consideration by permission of another must pay for it."

Wightman, J.: "It is clear to me that enjoyment by

permission of the patentee whilst the patent was supposed to be valid is consideration."

Erle, J.: "It is my opinion that the defendants are bound by their promise, they having had the consideration they bargained for * * * perhaps in an action on the agreement for the price for such subsequent user (after notice given that they dispute the validity) the invalidity of the patent might be a defense. *But there is no such notice here;* and for the user till there is such notice the defendants must pay."

If a servant, while in the employ of his master, makes an invention, that invention belongs to the servant and not to the master; but, *semble*, that if the master employs a skillful person *for the express purpose* of inventing, that the inventions made by him will so much belong to the master as to enable him to take out a patent for them.

Bloxam *vs.* Elsee, 1 C. & P., 558.

The following American cases are equally conclusive on this point:

Marston *vs.* Swett, 66 N. Y., 206.

Jones *vs.* Burnham, 67 Me., 93.

We have shown, on principle and by authority, that an employer does not become entitled to the fruits of the inventive faculties of his employé without an express contract to that effect, and, by the record, that no such express contract exists in this case. We have further shown that a general contract of employment whereby the employé gives his time, labor, and skill to the service of his employer does not confer upon the latter a right or title to the inventive skill of the former, and that such was the contract of employment in this case. We have further shown that the assignment of McAleer's patent, modified by the concurrent agreement for defeasance, was in effect a license to the Government to use McAleer's invention, determinable by the Government's own act in discharging him from its employ-

ment, and that, while such discharge released McAleer from his agreement to permit the Government to use his invention, it did not absolve the latter from the obligation to compensate McAleer for its continued use thereof with his permission.

In other words, that such permission was a continued license to use the invention, and maintained between McAleer and the Government the relation of licensor and licensee. We have further shown that the only effect upon such relation created by the Government's act in discharging McAleer was to change the form of compensation from that of employment under the express agreement, established by the assignment and collateral contract, to the *quantum meruit* called for by the implied contract resulting from the permissive use by the Government of McAleer's invention. We have further shown, by comparison of the respective cases, that the principal case does not fall within the rulings made by this Court in the case of Solomons, nor is it controlled by any adverse decision, either of this Court or of the Court of Claims. Finally, we have shown that the plea of lack of novelty of invention was improperly interposed, and that the Government, having accepted an assignment of the patent and a license to use the invention and being now in the actual enjoyment of such use and the profit resulting therefrom, is estopped to attack the validity of the patent or to set up a defense founded upon the alleged lack of novelty of the invention.

Wherefore it is respectfully submitted that the judgment of the Court of Claims should be reversed and the cause remanded to that Court for a proper accounting and award of compensation to be made to the administratrix of Philip McAleer, deceased, for and on account of the use by the Government of Philip McAleer's aforesaid invention.

TALLMADGE A. LAMBERT,
Of Counsel for Appellant.

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157-424

Office Supreme Court, U.S.
FILED
NOV 23 1894
JAMES H. McKENNEY,
Clerk.

In the Supreme Court of the United States.

OCTOBER TERM, 1893.

MARY JANE MCALEER, administratrix, etc., appellant,
vs.
THE UNITED STATES. } No. 106.

APPEAL FROM THE COURT OF CLAIMS.

BRIEF FOR THE UNITED STATES.

In the Supreme Court of the United States.

OCTOBER TERM, 1893.

MARY JANE MCALEER, ADMINISTRATRIX, etc.,
vs.
THE UNITED STATES.
} No. 108.

This is an appeal from a judgment of the Court of Claims rendered 31st day of March, 1890, dismissing the petition of the claimant, Philip McAleer, whose administratrix, Mary Jane McAleer, is the appellant here.

THE CASE.

The petition of the claimant was filed "to recover from the United States compensation for the use by the United States of certain inventions made by the petitioner and protected by letters patent of the United States issued to him, such use being under licenses to the United States executed by the petitioner."

That petitioner was a machinist by occupation, and as such being employed in the year 1863, and subsequent years, in the service of the United States in the Bureau of Engraving and Printing, attached to the Treasury Department of the United States, he

turned his attention during his hours of leisure to the improvement of the machinery under his charge and to the making of inventions designed to effect such improvement.

The petition then sets out specifically the several inventions and improvements contrived by the claimant and for which letters patent issued to him.

It further avers that "knowing that said inventions and improvements * * * were mainly and almost exclusively useful to the United States in the said Bureau of Engraving and Printing, the petitioner, at the request of George B. McCartee, then superintendent of said Bureau, for the United States executed and delivered to the said McCartee" licenses to the United States to use the several inventions aforesaid, the form of said licenses being as follows:

Whereas I, Philip McAleer, of Washington, D. C., have invented certain improvements in paper-perforating machines, for which letters patent of the United States were granted to me December 7, 1875, No. 170873; and whereas the United States Treasury Department is desirous of acquiring the right to use said invention as described in said patent: Now, this indenture witnesseth, that for the sum of $1 and other valuable considerations to me paid by the said Department, I do hereby grant and license the said United States Treasury Department and its bureaus the right to make and use my said improvements in paper-perforating machines, as described in said patent, to the full end and term for which said letters patent are granted.

Witness my hand and seal this 10th day of January, 1876.

PHILIP MCALEER. [SEAL.]

The petition further avers that the United States advanced to the petitioner the sum of $200 to enable him to obtain the letters patent for his several inventions

> with the view of securing to the United States in the said Bureau of Engraving and Printing, by licenses as aforesaid, the exclusive use of said inventions and improvements.
>
> At the time of the issue of the aforesaid letters patent to the petitioner, at the time of the execution of the licenses aforesaid, it was agreed between the petitioner on the one hand and the Superintendent of said Bureau of Engraving and Printing, acting for and on behalf of the United States, on the other hand, that the petitioner should be retained and employed in said Bureau, as machinist, as long as said Bureau continued to use said inventions and improvements, or any of them, under the aforesaid licenses, etc.
>
> The petitioner says that under the aforesaid licenses there was an implied agreement between the United States and the petitioner that the United States should pay to the petitioner for the use of said improvements and inventions whatever the said use was reasonably worth.

The findings of fact are in accordance with the claim asserted in the petition, except that as to the alleged agreement it was found that—

> It was contemporaneously agreed by and between plaintiff and said McCartee that the assignment should hold good only during plaintiff's employment in said Bureau of Engraving and Printing, and not longer.

And that—

> Plaintiff's request to have the machines in question stamped with his name as patentee was refused by the Chief of the Bureau of Engraving and Printing.

And that—

> The device was to be applied to machines then under his charge as a machinist. It was made entirely with Government tools and machinery. He was aided by Government employés. The device was not used until 1879, when plaintiff was not in Government employ. Before it would operate the device required mechanical changes; these were made and the device was perfected and applied by Government machinists, using Government tools and material.

Upon the facts found the court determined, as the conclusion of law, that the petition should be dismissed.

ARGUMENT.

If this case stood upon the facts found by the Court of Claims, exclusive of the written grant or license from the petitioner to the Treasury Department, the conclusion would be irresistible under the principle settled by the decided cases, that the United States, who was the employer of the petitioner, had derived by implication the right to use the devices in the Treasury Department "to the full end of the term for which said letters patent were granted." (*Jencks* v. *Langdon Mills*, 27 Fed. Rep., 622; *Barry* v. *Crane Bros. Mfg. Co.*, 22 Fed. Rep., 396;

Green v. *Willard, etc.*, 1 Mo. Appeal, 202; *McClurg* v. *Kingsland*, 1 How., 202; *Hapgood* v. *Hewitt*, 119 U. S., 226.)

The duties of the petitioner were those of a skilled mechanic, and, during the greatest part of the time, particularly related to the charge and repair of machines used in that Bureau, etc.

The device was to be applied to machines then under his charge as a machinist. It was made entirely with Government tools and machinery. He was aided by Government employés. The device was not used until 1879, when plaintiff was not in Government employ. Before it would operate the device required mechanical changes; these were made and the device was perfected and applied by Government machinists, using Government tools and material.

It was no part of plaintiff's official duty to make said invention. In making it he used Government material, but this was of trifling value. He made it partly out of office hours, in the office and at his home, and partly at such hours as he found leisure during office hours in the office.

On January 10, 1876, petitioner, at the suggestion of George B. McCartee, then chief of the Bureau of Engraving and Printing, executed the following instrument, which was recorded in the Patent Office January 17, 1876:

Whereas I, Philip McAleer, of Washington, D. C., have invented certain improvements in paper perforating machines, for which letters patent of the United States were granted to me, and bear date December 7, 1875; and, whereas, the United States Treasury Department is desirous of acquiring the right to use said invention, as fully described in said

letters patent; now, this indenture witnesseth, that for the sum of $1, and other valuable considerations to me paid by the said Department, I do hereby grant and license the said United States Treasury Department and its bureaus the right to make and use machines containing the improvements claimed in said patent to the full end of the term for which said letters patent are granted.

Witness my hand and seal this 10th day of December, 1875.

PHILIP MCALEER. [SEAL.]

THE WRITTEN CONTRACT.

Among the facts found is the following:

It was contemporaneously agreed by and between plaintiff and said McCartee that the assignment should hold good only during plaintiff's employment in said Bureau of Engraving and Printing.

The obligation itself expressing upon its face as one of its essential terms that the license therein granted to the United States should continue to the full end of the term for which said letters patent were granted, it was not competent for the parties, by any collateral parol agreement, to contradict, vary, or alter any of the terms of said deed; and, further, that it was not competent to prove at the trial any such agreement. (1st *Greenleaf on Evidence*; *Knowlton* v. *Cook*, 70 Maine, 143; *Ruggler* v. *Eddy*, 5 Fisher Pat. Cases, 581; *Hammond* v. *Pratt*, 16 Of. Gaz., 1235; *Wilkins* v. *Spafford*, 13 Of. Gaz., 675.)

It should further be observed that this contract did not remain executory, so for as the United States was con-

cerned, but the consideration moving from the United States was fully executed and performed. The instrument recites :

> That for the sum of $1, and other valuable consideration to me *paid* by the said Department.

So that the idea is altogether excluded that the grant of the license by McAleer was conditioned upon his continuance in the Government service. He had received from the Government, as he states in section 11 of his petition, $200 to procure the issue of the patents ; he had used the Government material and the tools, machinery, and employés of the Government, and had expended part of the time during which, under the terms of his employment he was required to devote to the Government service. And while it was no part of plaintiffs official duty to make said *invention*, yet having invented it, which was purely a mental operation, it is found as a fact in the case (p. 9), that the device was to be applied to machines then under his charge as a machinist. He remained in the Government service until September, 1877, but his petition was not filed until 27th November, 1888.

A grave doubt is expressed in the opinion of the Court of Claims as to the novelty and the patentability of the alleged invention.

Petitioner essays to avoid the result of his express contract by charging in section 14 of his petition that—

> There was an implied agreement between the United States and the petitioner that the United States should pay to the petitioner for the use of said improvements and inventions whatever the said use was reasonably worth.

It might be competent for him to sue upon the assumpsit if the facts ascertained showed that the contract was executed fully on the part of the petitioner, but remained unperformed on the part of the United States. But the findings show, except as to the alleged collateral, parol contract, that it was fully executed on both sides.

Under section 4898, Revised Statutes—

> Every patent, or any interest therein, shall be assignable in law by an instrument in writing, and the patentee, or his assigns, or legal representatives, may in like manner grant and convey an exclusive right under his patent to the whole or any specified part to the United States.
>
> The exclusive right under a patent to a specified part of the United States, means an exclusive right to do everything under the patent in such specified part which the patentee could do, and is the same as the exclusive right under the patent "to make and use, and grant to others to make and use, the thing patented within and throughout such specified part." (*Nelson* v. *McMann*, 16 Blatch., 139.)
>
> An assignment of an interest in an invention is a contract to be construed as other contracts. (*Nicholson Co.* v. *Jenkins*, 14 Wall., 452.)

Treating this instrument, however, as operating to convey, not the monopoly of the invention, but merely as a license to the Treasury Department to make and use the machines containing the patented improvement to the full end of the term for which the letters patent are granted, it operates as an effectual bar to the claim asserted here in the petition.

In *Solomons' Case* (22 C. Cls. R., 336), Clark, the Chief of the Bureau of Engraving and Printing, was

assigned the duty of devising a stamp, which he did. There was no bargain, agreement, contract, or understanding between the officers of the Government and Clark concerning the right of the Government to use the invention, or concerning the remuneration, if any, which should be paid for it. No express license to use the invention was ever given by Mr. Clark to the Government, nor any notice prohibiting its use or intimating that he would demand a royalty. The judgment of the court in that case was that the petition be dismissed, the court being of opinion—

> That while the Government did not obtain a specific interest in the patent, nor a monopoly of the invention, nor a right to share in the profits thereof, nor to exclude other persons from the use of it, nevertheless it acquired the right to manufacture and use the stamp in its revenue service without liability to the inventor.

And in *Davis* v. *The United States* (23 C. Cls. R., 329) the claimant, Davis, was foreman of the Machine and Foundry Division of the Ordnance Department at the Washington navy-yard. He invented and received a patent for a vent-closing firing attachment. The Department paid to him the sum of $140 to reimburse him for the expense incurred in securing the patents and as a royalty for the right to use the patents. The court reiterated the principle announced in Solomons' Case—

> That every public officer being in some measure or degree a guardian of the public welfare, no transaction growing out of his official services or position can be allowed to inure to his personal benefit; and

that from such transactions, as in the case of guardian and ward, and trustee, and *cestui que trust*, the law will imply a contract.

On these two cases the Court of Claims mainly rested its decision in this case.

So here, whether the demand of the petitioner is grounded upon the express contract of his written obligation or the implied agreement arising out of the facts. In either case must this demand fail and the judgment of the Court of Claims should be affirmed.

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